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ABSTRACT

A report of the Texas Ad Hoc Committee on Faculty Compensation is presented, and recommendations of the Texas Coordinating Board, based on the work of the Ad Hoc Committee, are offered. Additionally, a companion document dated January 30, 1981, includes the text of presentations at an October hearing, an analysis of retirement and group insurance programs, and faculty profile and salary level comparisons. The committee reviewed faculty salaries and benefits to determine how inflation and retrenchment might be addressed to help improve faculty morale and achieve the goal of quality education. Comparisons to the Consumer Price Index show that increases in faculty salaries have fallen far behind increases in the inflation rate, and Texas salaries have not kept pace with the national average. A survey of practices at seven Texas public institutions indicates that benefits available to faculty closely parallel those provided to nonfaculty employees and other state employees, with some exceptions. An analysis was made of the following types of benefits: retirement, insurance, leave, holidays, parking, housing, travel, social security payment, continuing education, longevity pay, and miscellaneous benefits. Among the recommendations are the following: the legislature should make faculty salary increases its first funding priority for higher education; and a three-year average salary should be the basis for calculating retirement benefits. The data on faculty salaries includes comparisons of Texas levels and those of nine selected states, and a comparison of Texas salaries and the 50 state average. (SW)

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Faculty Compensation
In Texas Public Colleges and Universities

ED212178

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RECOMMENDATIONS OF THE

Coordinating Board, Texas College and University System

HE013622

January 1981

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TEXAS COLLEGE AND UNIVERSITY SYSTEM
P.O. Box 12788 CAPITOL STATION
AUSTIN, TEXAS 78711

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January 30, 1981

The Honorable William Clements, Governor of Texas
The Honorable William P. Hobby, Lt. Governor of Texas
The Honorable William Clayton, Speaker of the House of Representatives
Members of the 67th Legislature

Dear Governor Clements, Lt. Governor Hobby, Speaker Clayton, and Members of the Legislature:

In response to the deep concern of all members of the Coordinating Board about faculty salaries in Texas public higher education, last year the following members were appointed to a committee to study faculty compensation: Charles Butt, chairman, Harlan Crow, Newton Gresham, Gwendolyn C. Morrison, and Tom B. Rhodes.

The recommendations of the Board, based on the work of this committee, are attached. This document also contains the report of the committee, and a supplementary volume of supporting materials is available to anyone wishing to have a copy.

The Board and the committee are grateful for the information and testimony presented by the following organizations:

Texas Association of College Teachers
American Association of University Professors, Texas Chapter
Council of Presidents of the Public Senior Colleges and Universities of Texas
Texas Public Community Junior College Association
Texas Junior College Teachers Association

On behalf of the Coordinating Board and myself I wish to express our appreciation to Mr. Butt and his committee members for the time and effort they put into this study.

Respectfully submitted,

Preston Smith

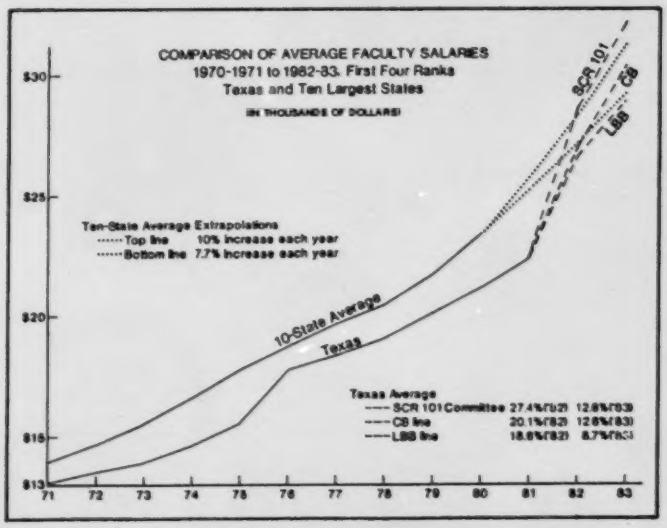
Preston Smith
Chairman

RECOMMENDATIONS ON FACULTY COMPENSATION

of the

Coordinating Board, Texas College and University System

1. In order to meet the Texas commitment to excellence in higher education, the legislature should strive to set Texas average faculty salaries above the national average and maintain this position. Recommendations have already been made to the legislature by the SCR 101 Committee, the Coordinating Board and the Legislative Budget Board regarding a specific percentage increase, and the following graph projects the likely effect of those recommendations on the Texas position relative to the average of ten largest states.



The legislature should make faculty salary increases its first priority in the funding of higher education. If a reduction by the legislature in the funding requested for higher education is necessary, it should be made in areas other than faculty salaries, even at the expense of special items or other line items in the budget.

The consequences of deteriorating faculty compensation will be an inevitable decline in the amount of human talent and initiative attracted to higher education, an out-flow of the very best people to other states and to business and industry, a steady lowering of morale, and a general weakening of quality in teaching.

2. The legislature should increase the state's contribution to each faculty member's group insurance premium from the present $40 per month to at least $55 for 1982 and $65 for 1983, as recommended by the Legislative Budget Board.

3. In order to equalize benefits to faculty members under the Teacher Retirement System with those of the Employees Retirement System, the legislature should provide the improvement that has been recommended by the Teacher Retirement System to use a three-year average salary for benefit calculations rather than the present five-year average.

Proposed recommendations to the colleges and universities, their faculties, and faculty advocacy groups:

1. Each institution should develop and apply a meaningful system of performance evaluation of faculty and aggressively seek administrative ways to reward quality performance.

2. Each institution should explore every possible alternate compensation strategy available within its own particular circumstance, and share any

successful approaches with other institutions and the Coordinating Board. Such alternate strategies may include: reallocating surpluses to merit awards, seeking funds for professorships and endowed chairs, and reducing the number of faculty. In addition, institutions should follow closely the legislative intent that faculty salary appropriations never be transferred to other uses, including carrying over faculty salary appropriations at the end of the year and treating them as current funds.

3. Each institution should keep its faculty fully informed of all benefits that are being received. Such a system of communication would serve to make a faculty member aware of the total compensation for his or her services in addition to salary. If possible, each year every faculty member should receive an itemization of all benefits.

4. The faculties in all institutions of higher education should join administrators and governing boards to take a prominent and assertive role in working toward improving the image of higher education. All faculty organizations and associations should include as a part of their advocacy efforts a vigorous and continuous program of communicating to the public the value of higher education to our society.

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INTRODUCTION

Motivation and job satisfaction are areas of research which have received much attention over the past two decades. Many studies of job enrichment indicate that both internal and external factors affect job satisfaction. It is generally agreed that contributors to job satisfaction include such factors as: (1) a feeling of achievement in one's work, (2) the recognition received in one's career, (3) the value or worth of one's work, and (4) opportunities for growth and advancement.

Other important factors affecting job satisfaction which can contribute significantly to dissatisfaction are: (1) salary, (2) benefits, (3) working conditions, (4) interpersonal relationships, and (5) job security.

The committee believes that factors influencing college faculty attitudes ordinarily would not differ substantially from those stated above. However, certain external conditions are producing a shift in attitude toward focusing more on security and economic motives than professional or personal growth motives. The current economic situation, with its ever-increasing inflation rate and higher cost of energy, housing, and food, is causing greater concern for job security and salary increases. Secondly, the 1980 decade is expected to be an era of faculty retrenchment and stabilized hiring throughout the United States. The college-age population began stabilizing and declining in the 70s and this trend should continue during the 80s. While these demographic changes are not anticipated to be as severe in Texas as in the nation as a whole, they will be felt in Texas nonetheless. College governing boards

and administrators faced with stable enrollments and sharply higher costs may be forced to reduce the size of their faculties.

These combined factors of inflation and retrenchment have produced serious concerns among faculty. Collective bargaining agreements for college faculty in other states are centering upon issues that indicate an increased concern among faculty for pay raises and improved benefits. The committee, therefore, reviewed faculty salaries and benefits to determine how these issues might be addressed to assist in improving faculty morale within the public institutions of higher education in Texas and achieve our goal of quality education.

FACULTY SALARIES

During the course of the study, the committee reviewed a variety of information concerning the status of faculty salaries. Many different kinds of comparisons have been made by those attempting to explain the faculty salary situation. Texas faculty salaries have been compared to the increase in the Consumer Price Index, to the increase in faculty salaries nationally, to the increase in non-academic salaries, and to the increase in the salaries of other state employees. Different periods of time have been used in different comparisons. Comparisons have been made using all ranks of faculty and using only the first four professional ranks.

A companion document to this report contains a set of charts showing the various comparisons examined by the committee, as well as a current profile of Texas faculty and presentations by advocacy groups. It is available on request.

Comparisons to the Consumer Price Index show that increases in faculty salaries have fallen far behind increases in the inflation rate. Comparisons from different base years may reflect slight variations in the specific percentage gap, but by any comparison the difference is substantial.

When Texas salaries are compared to the national average, the difference is not as great. Although Texas salaries have not kept pace with the national average, the differential is more modest than the decline in purchasing power

based on the Consumer Price Index. This points out very clearly that faculty salaries throughout the nation have lost ground to inflation. The fact that Texas salaries have fallen progressively further below the national average does show, however, that Texas salaries have slipped faster than salaries in higher education across the nation.

Even though no general comparison is made, the committee has noted the examples cited by several schools which reveal the wide variance between salaries of faculty compared to salaries of comparable jobs in the private sector. The differences are greatest in fields such as engineering, accounting, computer science, and certain science research areas. In some fields these differences cannot be ignored without running the risk of being unable to retain qualified and excellent faculties in fields in which education is critical to the American technological economy.

Faculty generally expect that the salary available to them will be less than what they could earn in industry or business, but the opportunity to realize the intangible benefits of a faculty career has, in the past, enabled the colleges and universities to attract high quality people. Inflation, however, is producing a shift in attitude toward placing more significance on salary. A major effect of this is to discourage many high quality people from entering the profession. All professions recruit the best talent, and higher education cannot continue to attract its share without maintaining reasonably competitive earnings. The loss of good faculty to business and industry is increasing as the earnings gap grows.

The committee has not attempted to endorse any particular comparison as the basis for its findings: each tells a similar story, and the general situation seems to be clear--Texas faculty compensation has been eroded by inflation and has not kept pace with faculty salaries across the nation. The question is only one of degree.

It seems the most appropriate approach would be a comparison of Texas faculty salaries to faculty salaries in public institutions in the rest of the nation. Texas must be able to hold its own in competing for high quality faculty with other public colleges and universities throughout the country. If Texas does not at least keep pace with national pay levels, it cannot continue to be competitive.

Regardless of which of the comparisons are used, the committee agrees that Texas faculty salaries have deteriorated and that corrective measures are essential. Texas has not kept pace with the average increase in faculty salaries nationally, and our ability to compete for faculty with the other public schools across the nation is being diminished. Quality in education requires quality faculty, and to attract and retain quality faculty requires the ability to compete effectively.

Faculty members all across the state are now considering something they have heretofore shunned--collective bargaining. This is another inevitable consequence of deteriorating compensation. Faculty members, who a few years ago would vigorously have opposed a move to collective bargaining, now seem ready to consider it as a possible strategy to respond to their deteriorating situation.

Deteriorating compensation also contributes to poor faculty morale. Faculty see themselves as poorly valued; and this affects their sense of self-worth, their motivation, their creativity, and the way they perform.

Faculty members, because of their worsening salary situation, are being forced to engage more extensively in outside activities to supplement their incomes. Unfortunately this will detract, in time, from the quality of their teaching or research, and thus, impair the quality of the education obtained by the students.

We have already experienced almost a decade of steady erosion of relative faculty compensation. If the same erosion continues, we could be taking serious risks with the future.

In assessing faculty compensation, one element that sometimes creates confusion is the nine-month basis of academic employment. Faculty salaries are viewed by some as full-time earnings and by others as less than full-time. This can become an issue when evaluating the relative level of faculty salaries compared to salaries in traditional full-time jobs, but it should not be an issue in assessing the relative competitive position of Texas faculty with the rest of the nation.

The major advantage to evaluating salaries paid to Texas faculties against national averages is that the measurements are directly comparable. Such comparisons focus on the national market for faculty members in which Texas should aim to be competitive and effective in retaining and attracting the best talent and minds available.

To assist in setting formula rates and to aid the Legislature in making appropriations, the Coordinating Board should develop a general policy regarding the level of Texas faculty salaries, which sets out consistent criteria. Such a policy should establish an objective for the salary level of Texas faculty in relation to the national average for faculty salaries. This objective should clearly identify the level of Texas salaries compared to the national averages for similar kinds of schools. The procedure should identify the comparative data that will be considered to measure progress toward that objective, including the specific schools across the nation to make up the comparative national average. The committee feels that Texas should rank somewhere above the national average to maintain our goal of excellence.

BENEFITS

A survey of information at seven of the public institutions in the state indicates that benefits available to faculty closely parallel those provided to non-faculty employees and other state employees with some exceptions. An analysis was made of the following types of benefits:

1. Retirement
2. Insurance
3. Leave
4. Holidays
5. Parking
6. Housing
7. Travel
8. Social Security Payment
9. Continuing Education
10. Longevity Pay
11. Miscellaneous Benefits

(The schools surveyed were: University of Texas at Austin, University of Houston--Central Campus, Texas A&M University, North Texas State University, Texas Tech University, Southwest Texas State University, and University of Houston at Clear Lake City.)

Although benefits are of less immediate concern than faculty salaries, and time for this study was limited, it will be desirable in the future to evaluate benefits for Texas faculty against benefits offered in other states.

Retirement

Almost everyone who is employed by the State of Texas on a regular salaried basis is required by law to participate in a retirement program of some kind. Those who work in most state agencies are covered by the Employees

Retirement Law (ERS). Others working in the area of public education are subject to the Teacher Retirement Law (TRS).

In 1967, the Teacher Retirement Law was amended to provide in institutions of higher education an Optional Retirement Program (ORP) in lieu of the Teacher Retirement System for "faculty members" as broadly defined.

A comprehensive analysis of the various components of the retirement program is included in a companion document to this report.

Although there are a number of minor differences between the two state retirement systems, the most significant areas of inequity are in the average salary used to calculate retirement benefits and the provisions for early retirement. These differences are explained in detail in the companion document. In its list of recommendations for 1981 legislative action, the TRS Board of Trustees has proposed that the three-year average salary used by ERS for retirement benefit calculation be used by TRS also. Legislative adoption of this recommendation would equalize the TRS retirement benefit calculation formula with that of ERS and benefit all members, including those wanting to retire early.

Group Insurance

Higher Education employees are provided group life and health insurance through programs administered by each individual school or system. Employees of other state agencies participate in the statewide group insurance program administered by the Employee Retirement System.

The state contributes $40 toward the premium cost of each employee's selected coverage.

Senate Bill 95 which created the Texas Public College and University Employee Uniform Insurance Benefits Act became effective on September 1, 1977. The Act permits institutions to retain local autonomy over their group insurance program, but does require each such program to meet the standards developed by a nine-member Administrative Council whose responsibility is to administer the provisions of the Act.

A companion document to this report includes a review of the program in detail and a discussion of certain problems and alternatives. These problems are currently under study by the Administrative Council, and the committee, therefore, does not feel it appropriate to recommend a resolution on this topic.

Leave Benefits

Sick Leave - All full-time faculty and staff receive 8 hours per month.

Annual Leave - Faculty employed for 9 months receive no annual leave benefits. For those employed on a twelve month basis annual leave is accrued at a rate of 7, 8, 9, 10, 12, or 14 hours per month based on the total years of service.

Other Leave - Military leave, jury duty leave, leave without pay, emergency leave, and faculty development leave varies from institution to institution.

Holidays

Certain designated legal holidays are observed by both faculty and staff.

In addition, faculty receive time off with pay at Thanksgiving, Christmas, between semesters, and spring break. These additional periods of time off are considered compensation in lieu of annual leave. The summer period is, of course, available to faculty as time off without pay, or they may seek employment with their employing college or elsewhere. It is recognized that summer activities enhance teaching abilities for many faculty members.

Parking

At the institutions surveyed, parking is provided to faculty on a fee basis. The fee varies from institution to institution.

Shuttle bus service is available on some campuses.

Housing

No housing is provided to faculty at any of the schools surveyed.

Travel

When traveling on university business faculty are reimbursed for the actual cost of commercial transportation and at the rate of 20¢ per mile for personal car use. For meals and lodging they receive a per diem allowance of $40 per day.

Social Security Payment

For all faculty and staff the state pays a part of the employee portion of the social security premium each year. Faculty members should be aware that this supplemental benefit is one not normally paid by most states.

The state's contribution is 5.85% of the first $16,500 of covered wages for a total possible maximum benefit of $965.25 per year, for which most faculty members qualify.

Continuing Education

There is no waiver of tuition costs at institutions employing the faculty member for himself or his family.

Variations occur from institution to institution concerning the payment of salary, fees, and the amount of time off allowed for education.

Longevity Pay

State employees, other than faculty, are paid $4 per month for each year of state service up to 25 years. The maximum benefit, therefore, is $100 per month or $1,200 per year.

Miscellaneous Benefits

At most institutions faculty have access to university credit unions, discounts for athletic and cultural events, campus libraries, and recreational facilities.

BEST COPY AVAILABLE

COMPANION DOCUMENT

TO

REPORT OF THE AD-HOC COMMITTEE ON FACULTY COMPENSATION

January 30, 1981

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Text of Presentations

at

October 28 Hearing

PRESENTATIONS

1. Texas Public Community Junior College Association

   Opening remarks - Dr. Al Langford
   President-Elect of Association
   President of Midland College

   Presentation - Dr. Robert Clinton
   Director of Association

2. Texas Junior College Teachers Association

   Mrs. Doris Burbank
   President of Association
   Alvin Community College

3. Council of Presidents of the Public Senior Colleges and Universities

   Dr. William R. Johnson
   President of the Association
   President of Stephen F. Austin State University

4. Texas Association of College Teachers

   Dr. Philip L. White
   President of Association
   History Dept,. University of Texas at Austin

5. American Association of University Professors

   Betty Jane Kissler
   President of Association
   History Dept., Southwest Texas State University

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS ROBERT L. CLINTON, PRESIDENT OF WESTERN TEXAS COLLEGE. I AM REPRESENTING THE TEXAS PUBLIC COMMUNITY/JUNIOR COLLEGE ASSOCIATION MADE UP OF THE 47 PUBLIC COMMUNITY COLLEGE DISTRICTS IN TEXAS. INFLATION IS TAKING ITS TOLL ON THE OPERATION OF TEXAS COMMUNITY COLLEGES JUST AS IT IS ON EVERY OTHER ASPECT OF AMERICAN LIFE. ALTHOUGH THE McKNEW REPORT TO THE COORDINATING BOARD DID NOT STUDY COMMUNITY COLLEGES, IT CERTAINLY REFLECTS WHAT IS HAPPENING TO THIS SEGMENT OF EDUCATION CONCERNING FACULTY SALARIES, TRAVEL COSTS, BOOKS AND COSTS OF CAPITAL OUTLAYS SUCH AS EQUIPMENT AND UTILITIES. TRADITIONALLY, COMMUNITY COLLEGE DISTRICTS IN TEXAS PAY FOR BUILDINGS, MAINTENANCE, AND UTILITIES, AND THE GREAT MAJORITY OF COLLEGES ALSO SUPPLEMENT THE EDUCATIONAL PROGRAM, ESPECIALLY FACULTY SALARIES. AS UTILITIES AND MAINTENANCE COSTS RISE, MORE OF THE LOCAL TAX DOLLARS ARE FUNNELED INTO THESE AREAS AND LESS INTO FACULTY SALARY SUPPLEMENTATION. THUS, INFLATION IS EXACTING A DRAMATIC TOLL ON THE FUNDING FOR SALARIES IN THE COMMUNITY COLLEGES.

THE STATE-WEIGHTED AVERAGE SALARIES FOR COMMUNITY COLLEGES IN TEXAS AS SHOWN BY THE COORDINATING BOARD SURVEY WAS $18,184 FOR THE 1979-80 SCHOOL YEAR. THIS IS FAR SHORT OF A NATIONAL STUDY OF 119 COLLEGES WHICH SHOWS AVERAGE SALARIES OF $21,073.[1] BUT, OF MORE IMPORTANCE, IS NOT HOW TEXAS RANKS NATIONALLY BUT HOW WE MAY MAINTAIN THE SAME PURCHASING POWER WE HAVE NOW TO KEEP UP WITH INFLATION.

A RECENT STUDY OF MIDLAND COLLEGE SALARIES SHOWS A DECLINE IN REAL PURCHASING POWER FROM 1971-72 TO 1979-80 OF: 24.2% FOR PH.D.; 21.8% FOR A.B.D.; 20% FOR M.A.+60; 17.3% FOR M.A.+30; AND 16.5% FOR THE M.A. THESE FIGURES CORRESPOND CLOSELY TO THE McKNEW REPORT WHICH SHOWS A NEEDED INCREASE OF 17.4% TO RESTORE THE BUYING POWER OF FACULTY MEMBERS TO 1969 LEVELS.

[1] CUYAHOGA COMMUNITY COLLEGE. "FACULTY COMPENSATION 1979-80," OFFICE OF THE VICE CHANCELLOR FOR EDUCATIONAL PLANNING AND DEVELOPMENT. CLEVELAND, OHIO, 1980.

THE COMBINED EFFECT OF INFLATION AND PROGRESSIVE FEDERAL INCOME TAX UPON SALARIES IS OFTEN OVERLOOKED. A RAISE EQUAL TO THE PERCENT OF INFLATION DOES NOT ENSURE THAT THE SALARY WILL KEEP ABREAST OF THE COST OF LIVING AFTER TAXES. THE FEDERAL PERSONAL INCOME TAX IS PROGRESSIVE IN NATURE; THAT IS, THE HIGHER THE INCOME, THE HIGHER THE PERCENTAGE OF TAX ON THAT BRACKET OF INCOME. THUS, RAISES WHICH REPRESENT NO GREATER REAL INCOME--JUST TO KEEP PACE WITH INFLATION--OFTEN PUSH FAMILIES INTO HIGHER PERCENTAGE TAX BRACKETS.

THE U.S. NEWS AND WORLD REPORT, JULY 14, 1980, ISSUE, GIVES AN EXAMPLE OF A FAMILY OF FOUR WITH ONE WAGE EARNER. IF ITS INCOME IN 1970 WAS $15,000, IT WOULD NEED $34,349 THIS YEAR TO MAINTAIN THE SAME AFTER-TAX PURCHASING POWER. THAT'S A REQUIRED INCREASE IN EARNINGS OF 129 PERCENT. COMPARED WITH A RISE IN CONSUMER PRICES OF 113 PERCENT. HIGHER TAXES ARE THE REASON FOR THE GAP. INCOME AND SOCIAL SECURITY TAXES IN 1970 SWALLOWED 14.9 PERCENT OF THE FAMILY'S INCOME. THIS YEAR THE BITE IS 20.8 PERCENT. BY 1990, THE TAKE COULD BE 34 PERCENT. IF THE DECADE'S AVERAGE INFLATION OF 7.8 PERCENT A YEAR CONTINUES AND TAX LAWS AREN'T CHANGED, THE FAMILY EARNING $15,000 IN 1970 WILL NEED $87,708 TO STAY EVEN IN 1990.

ANOTHER CONCERN OF OUR COMMUNITY COLLEGES IS THE FACT THAT IN MOST CITIES WHERE COMMUNITY COLLEGES ARE LOCATED, FACULTY SALARIES ARE LOWER THAN THOSE OF THE PUBLIC SCHOOLS. SOME WILL SAY THAT IT IS NOT WRONG FOR PUBLIC SCHOOL FACULTIES TO MAKE MORE THAN THEIR COUNTERPARTS AT THE TWO-YEAR COLLEGES; HOWEVER, IT WOULD BE DIFFICULT TO RECEIVE AGREEMENT WITH THAT PREMISE FROM OUR FACULTIES WHO FEEL THEIR YEARS OF PREPARATION SHOULD AND NEED TO BE THE SAME AS THOSE OF THE FACULTIES IN OUR SENIOR COLLEGES. THE COMMUNITY COLLEGES ARE ABLE TO COMPETE WITH THE PUBLIC SCHOOLS FOR THE BEGINNING MASTER'S DEGREE INSTRUCTOR, BUT IN THE MAJORITY OF CASES AFTER A FEW YEARS OF EXPERIENCE, THE PUBLIC SCHOOLS SALARY SCALES

WILL EXCEED THOSE OF MOST COMMUNITY COLLEGES. FOR EXAMPLE, AT HENDERSON COUNTY JUNIOR COLLEGE, A MASTER'S DEGREE AND TEN YEARS OF EXPERIENCE WOULD START AT $14,720, AND THE SAME TEACHER AT THE ATHENS PUBLIC SCHOOLS COULD MAKE $15,907.

ANOTHER STUDY BY A WEST TEXAS COLLEGE, COMPARING SALARIES WITH THOSE OF 51 COMMUNITY COLLEGE CAMPUSES IN TEXAS, SHOWS THE PUBLIC SCHOOL IN THAT CITY RANKING 40TH AMONG THE 51 COLLEGES FOR A BEGINNING TEACHER WITH NO EXPERIENCE AND A MASTER'S PLUS 30 HOURS; HOWEVER, THE SAME PUBLIC SCHOOL WOULD RANK THIRD OUT OF 51 COLLEGES IN THE STATE AFTER 11 YEARS OF EXPERIENCE.

THESE EXAMPLES ARE FOR ACADEMIC INSTRUCTORS. THE SITUATION IS EVEN WORSE WITH OUR TECHNICAL/VOCATIONAL FACULTIES. INDUSTRY, WITH ITS HIGH SALARIES, IS SIPHONING OFF OUR TECHNICAL INSTRUCTORS AT A FREIGHTENING RATE. THIS PROBLEM IS SELF-DEFEATING BUT THE COMMUNITY COLLECES ARE UNABLE TO DO ANYTHING ABOUT IT. TEXAS INDUSTRIES NEED AND WANT QUALIFIED GRADUATES. THE COMMUNITY COLLECES OF TEXAS TRAIN 95 PERCENT OF ALL POST-SECONDARY TECHNICAL/VOCATIONAL STUDENTS. QUALITY GRADUATES MUST HAVE QUALITY TEACHERS. THE FORMULA RATES FOR STATE FUNDING IN NO WAY RELATE TO WHAT INDUSTRIES ARE WILLING TO PAY FOR COMPUTER PROGRAMMERS, AUTOMOTIVE, DIESEL, ELECTRONICS, AND WELDING INSTRUCTORS, TO NAME A FEW.

WITH 42 PERCENT OF STUDENTS IN HIGHER EDUCATION ENROLLED IN THE PUBLIC COMMUNITY COLLEGES IN TEXAS, WE ARE AN INTEGRAL PART OF THE HIGHER EDUCATIONAL SYSTEM IN THE STATE. ALL OF US RECOGNIZE THE IMMENSE PROBLEMS BROUGHT ON BY INFLATION. THE COMMUNITY COLLEGES ARE WILLING TO WORK TO KEEP AN EDUCATIONAL SYSTEM OF HIGH QUALITY. THE LOCAL DISTRICTS ARE ALREADY MAKING A BIG SACRIFICE IN TERMS OF LOCAL TAXES. ALL WE ARE ASKING IS THAT THE COMMUNITY COLLEGES BE GIVEN A "FAIR SHAKE" AND EQUAL CONSIDERATION, ALONG WITH THE SENIOR INSTITUTIONS AND THE PUBLIC SCHOOLS, BECAUSE COMMUNITY JUNIOR COLLEGES ARE A VITAL PART OF THE ENTIRE EDUCATIONAL SYSTEM OF TEXAS.

TEXAS JUNIOR COLLEGE TEACHERS ASSOCIATION

REMARKS OF DORIS BURBANK, PRESIDENT, TEXAS JUNIOR COLLEGE TEACHERS ASSOCIATION, PRESENTED TO THE AD HOC STUDY COMMITTEE ON FACULTY SALARIES AND BENEFITS, COORDINATING BOARD, TEXAS COLLEGE AND UNIVERSITY SYSTEM, TUESDAY, OCTOBER 28, 1980, AUSTIN, TEXAS

Mr. Chairman and Members of the Committee:

My name is Doris Burbank. I am an Instructor of Music at Alvin Community College and am serving this year as President of the Texas Junior College Teachers Association. I appear today on behalf of the almost 5,000 members of our Association, representing teachers in every academic and vocational/technical discipline from every two-year college campus in our state.

We count it a very special privilege to appear before your committee this morning. We appreciate your courtesy and that of Commissioner Ashworth in extending the invitation. We are especially gratified to be included in today's discussions, because we interpret your invitation as an expression of your committee's own awareness of the vital role performed by community junior college teachers in fulfilling the missions of our institutions and the purposes of public higher education in our state.

Our Association understandably has a keen interest in the subject of today's hearing. The teachers I represent are proud of our profession. It was not by accident that we chose teaching as a career. Nor were our choices the results of "trial and error" and the process of elimination. With rare exceptions, my teacher-colleagues entered this profession with open eyes - fully cognizant of the negative aspects and pitfalls associated with our choice.

We knew that teaching would never be a lucrative profession: that we would have to find satisfaction in the intrinsic rewards of teaching more than in the extrinsic rewards measurable in dollars. I might say, in this connection, that experience has validated our expectations: teaching isn't lucrative, but the intrinsic rewards are, indeed, satisfying.

Unfortunately, the idealism which brought us into teaching cannot help us in coping with the more practical and realistic problems of meeting our personal and family financial obligations. I don't believe that any fair-minded person would disagree that teachers' salaries have never been adequate. And when that inadequacy is worsened and compounded - year after year - by the ravages of inflation and budgetary constraints, insult is truly added to injury.

Let me be specific. Last year, in Texas the average beginning salary for a community junior college teacher with a Master's Degree was $12,878. The average salary for a teacher holding a Master's Degree in the sixth year of employment was $14,556. And for a teacher with a Master's Degree in the eleventh year of employment, the average salary was $15,912. (I might point out that most of the salary figures we see published show substantially higher salaries than those just cited. Those published averages are increased as a result of academic work beyond the Master's Degree and experience beyond the eleventh year.)

More distressing than the inadequate salaries is the fact that the modest increases for the current year generally are far less than the actual rate of inflation. Figures for this year aren't yet available, but we are told that some teachers received increases of no more than two or three percent. Happily, others fared somewhat better. But very few colleges were able to grant pay raises sufficient to allow their teachers to keep up with increased living costs.

It is not surprising, then, to learn that some teachers are finding it impossible to remain in our profession and are reluctantly leaving their classrooms to accept jobs in industry or in other professions. Biology instructors are becoming medical technicians, drafting instructors are becoming industrial draftsmen, data processing instructors are becoming computer analysts, psychology instructors are entering private clinical practice. And in most instances these career changes are occurring simply because of the brutal reality that personal and family financial obligations can no longer be met - even minimally - on teachers' salaries.

In many areas of our state the salaries of community junior college teachers lag behind those of our colleagues in the public school system - despite the fact that substantially higher academic preparation is generally required of instructors in the two-year colleges than of those in grades K through 12. Based on a study of last year's salary figures, it appears that in at least 20 of the 47 public community junior college districts, the local public school teachers were paid better than the college teachers at one or more points on the respective salary schedules.

We understand, of course, that community junior college faculty salaries are not set by the State Legislature, but are determined by the respective governing boards. Instructional salaries are, however, a most important cost element in the formula rates recommended by the Coordinating Board and finally adopted by the Legislature.

We believe that the formula rates your Board has adopted are quite conservative. Those recommendations do, however, offer some slight hope for a modest improvement in the dismal financial picture facing most of our two-year colleges. We urge you to stand by those recommendations and impress forcefully upon the Legislature and the Governor that they represent the bareboned minimum that should be appropriated for the community junior colleges of our state.

Perhaps it would be appropriate to make some remarks regarding the subject of merit pay for community junior college teachers. Our Association's Professional Development Committee is in the process of gathering data and formulating some recommendations on the subject, but up to this time our organization has not taken an official position concerning suggestions for merit pay. It is, of course, a controversial issue. Some say that a policy for teacher pay raises based on subjective criteria would be disruptive and divisive, leading to intradepartmental rivalry and competition - clearly not in the best interests of our profession or our institutions. Others contend that the criteria need not be subjective and that merit pay programs appropriately implemented and properly administered can be constructive and positive means of recognizing teaching excellence.

Regardless of the arguments for or against the concept of merit pay, it seems grossly unfair and recklessly premature to propose such an approach at a time when salaries are woefully inadequate and when inflation rates rapidly and drastically exceed increases in base salaries. It seems unrealistic to attempt to develop or implement merit pay proposals unless and until reasonable minimum salaries are established. And even then we would caution that the notion is fraught with peril, and we would strongly urge that any movement toward programs of merit pay be developed with the full involvement and participation of the faculty and that the criteria for receiving merit raises be clearly and objectively stated.

Let me comment briefly on the problem of recruiting new teachers. We are concerned - to put it mildly - by reported trends that university students preparing for careers in teaching are coming increasingly from the ranks of those less successful academically. We are deeply troubled by any lowering of the standards for admission to our profession. But the truth is that fewer and fewer college students will find themselves attracted to teaching when they observe the compensation offered teachers in comparison to offers from business and industry. You have heard that we can anticipate a shortage of teachers within the decade. The truth of the matter is that there is already a shortage of teachers in several fields: accounting, management, data processing, health occupations, and several of the technical programs requiring instructors with highly specialized training. As much as some would wish it otherwise, we aren't likely any longer to attract competent new teachers with promises of "intrinsic rewards."

In a very real sense, the issue before your committee this morning is one of values and priorities. We completely understand that there are countless demands upon the state treasury. We fully recognize that many persons representing many interests will be clamoring for a share of the appropriations. But we also believe that there are ample funds to make a respectable beginning at restoring a sense of balance in our state's priorities. Surely education ought to rank high among those priorities.

It is with a sense of genuine urgency, therefore, that I appear before your committee this morning. We respectfully look to you for help. It is not overstating the case at all to say that the circumstances are dire and desperate and the needs are real and immediate. In submitting your recommendations to the Coordinating Board, and, ultimately, to the Legislature, we urge that you provide dynamic leadership in reordering priorities. And please let me express the hope - respectfully but earnestly - that you and the Board and the staff will not let your work end in the mere preparation and submission of a report. We hope that you will return to Austin next January and join with us in presenting our appeal to the Legislature and working for the relief we seek.

Mr. Chairman, let me express once more my gratitude for your courtesy in inviting me to attend the hearing today.

STATEMENT OF WILLIAM R. JOHNSON, CHAIRMAN OF THE COUNCIL OF PRESIDENTS, TO THE SPECIAL COMMITTEE ON FACULTY SALARIES OF THE COORDINATING BOARD, TEXAS COLLEGE AND UNIVERSITY SYSTEM

CHAIRMAN BUTT, MEMBERS OF THE COMMITTEE, FIRST MAY I EXPRESS OUR APPRECIATION TO YOU FOR YOUR EFFORTS IN DEALING WITH WHAT IS A MOST CRITICAL ISSUE THAT WE CONFRONT AT OUR COLLEGES AND UNIVERSITIES TODAY. WE ALL ACKNOWLEDGE THAT THE QUALITY OF OUR ACADEMIC PROGRAMS RELATE INTIMATELY TO THE EXCELLENCE OF OUR FACULTIES, WHOSE ECONOMIC WELL-BEING IS A MATTER OF SERIOUS CONCERN.

AT THE RECENT AMERICAN COUNCIL ON EDUCATION ANNUAL MEETING, W. TODD FURNISS, A RESPECTED STUDENT OF HIGHER EDUCATION AND ACE STAFF MEMBER, WARNED THAT INDIVIDUALS COULD NO LONGER ACHIEVE THE "TRADITIONAL EXPECTATIONS' FOR A REWARDING ACADEMIC CAREER. . ." MR. FURNISS, ACCORDING TO THE CHRONICLE OF HIGHER EDUCATION, DESCRIBED "SOME OF THE RECENT TRENDS THAT HAD MADE A CAREER IN HIGHER EDUCATION LESS ATTRACTIVE TO CURRENT AND PROSPECTIVE FACULTY MEMBERS: THE FAILURE OF SALARIES TO KEEP PACE WITH INFLATION, THE DECREASE IN FACULTY MOBILITY AMONG INSTITUTIONS, AND THE SHRINKING AVAILABILITY OF TENURE - TRACK APPOINTMENTS AND PROMOTIONS."[1]

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[1] Chronicle of Higher Education, October 20, 1980, p. 12.

I BELIEVE THAT IT IS ABUNDANTLY CLEAR THAT THE PURCHASING POWER OF FACULTY AT TEXAS COLLEGES AND UNIVERSITIES HAS DECLINED DRASTICALLY. SALARIES HAVE INCREASED SLIGHTLY IN RECENT YEARS, BUT THE COST OF THE NECESSITIES OF LIFE HAS INCREASED AT A MORE DRASTIC RATE. VARIOUS INDICES ARE AVAILABLE TO YOU, THROUGH YOUR STAFF, TO ILLUSTRATE THIS BASIC CONDITION. IN FACT, TWO DOCUMENTS HAVE BEEN RECENTLY PRODUCED IN THE STATE. FIRST, THE COORDINATING BOARD'S PUBLICATION "LOST IN THE INDEX" (MARCH, 1980), INDICATES A LOSS IN PURCHASING POWER OF 15% SINCE 1969. SECOND, THE REPORT OF THE SPECIAL COMMITTEE ON HIGHER EDUCATION FINANCING (SCR 101) INDICATES A LOSS IN PURCHASING POWER OF 23% SINCE 1969. THERE IS SOME VARIATION BETWEEN THESE TWO REPORTS, AS YOU WILL NOTICE. BUT WHATEVER THE VARIATION, AND WHETHER YOU USE THE CONSUMER PRICE INDEX OR SOME OTHER PROFILE, THE CONCLUSION MUST BE THAT FACULTY IN OUR STATE ARE NOT AS WELL OFF, ECONOMICALLY, AS THEY WERE TEN YEARS AGO; IN FACT, THEY ARE NOT NEARLY AS WELL OFF. THE COUNCIL OF PRESIDENTS HAS EXPRESSED ITS SUPPORT FOR YOUR FACULTY SALARY FORMULA RECOMMENDATION. OBVIOUSLY, THE PRESIDENTS FAVOR THE MORE GENEROUS PROPOSAL OF THE SCR101 COMMISSION, WHICH WOULD MORE NEARLY CORRECT THE DAMAGE OF THE RECENT PAST.

THE DECLINE IN THE RELATIVE ECONOMIC POSITION OF OUR FACULTY HAS AN IMPACT UPON THE QUALITY OF OUR INSTRUCTIONAL PROGRAMS. FIRST, OUR SALARIES HAVE FALLEN IN RELATION TO OTHER STATES. THE REPORT OF THE SCR 101 COMMITTEE AND THE STUDY OF THE COORDINATING BOARD'S

FORMULA ADVISORY COMMITTEE SUBSTANTIATE THAT CONTENTION. THE SCR 101 COMMITTEE REPORT INDICATES THAT SALARIES FELL BELOW THE NATIONAL AVERAGE IN 1978 AFTER A YEAR OR SO OF BEING COMPETITIVE. SALARIES THAT COMPETE FAVORABLY WITH THOSE IN OTHER STATES (WHETHER REAL INCOME HAS DECLINED OR NOT) ARE NECESSARY TO ATTRACT THE BEST FACULTY TO THE STATE. THE STATE OF TEXAS SHOULD, IN VIEW OF ITS WEALTH AND ITS BELIEF IN THE VALUE OF EDUCATION, EXCEED THE NATIONAL AVERAGE. IT SHOULD NOT BE IN THE PERRENIAL POSITION OF STRIVING TO OVERTAKE THE NATIONAL AVERAGE IN FACULTY SALARIES. IN ADDITION, I BELIEVE THE FIGURES ON STUDENT-TEACHER RATIO INDICATE THAT THE AVERAGE FACULTY MEMBER IN TEXAS TEACHES MORE STUDENTS THAN THE NATIONAL AVERAGE.[2] THEREFORE OUR FACULTY SALARY APPROPRIATIONS ARE NOT WASTEFULLY SUPPORTING A LARGER BODY OF FACULTY THAN IS NECESSARY, THEREBY DIVERTING FACULTY SALARY MONEY. WE CANNOT SIMPLY CUT THE NUMBER OF FACULTY TO INCREASE THE DOLLARS AVAILABLE WITHOUT DOING DAMAGE TO THE QUALITY OF OUR ACADEMIC PROGRAMS. I URGE YOU, TO EXAMINE THE DATA ON NATIONAL AVERAGES ALONG WITH YOUR OWN BELIEF CONCERNING WHERE YOU WOULD LIKE TO SEE TEXAS IN RELATION TO OTHER STATES AND OUR STATED DESIRE TO IMPROVE THE QUALITY OF OUR PROGRAMS.

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[2] Dr. Ralph Steen reported in March 1979, in "The Texas Formula System," that the average amount spent in Texas is generally less than other states. Dr. Steen believed that this resulted "from the fact that in most program areas Texas evidently uses a high student/faculty ratio." p. 22.

ASIDE FROM OUR ABILITY TO ATTRACT THE BEST FACULTY TO OUR STATE, OUR LOW SALARY STRUCTURE IS MAKING IT DIFFICULT TO KEEP THE EXCEPTIONAL ONES. IN ADDITION, THE DECLINE IN REAL INCOME OBVIOUSLY ADVERSELY AFFECTS FACULTY CURRENTLY EMPLOYED IN OUR UNIVERSITIES. I DO NOT WANT TO APPEAR TO BE UNDULY ALARMING. BUT, IT IS MY RESPONSIBILITY TO ADVISE YOU, AS ACCURATELY AS I CAN, OF THE CONDITIONS ON OUR CAMPUSES. THE FACT IS THAT I HAVE OBSERVED A GRADUAL DECLINE IN INSTITUTIONAL MORALE OVER THE PAST SEVERAL YEARS. NOT ALL OF THIS RELATES TO LOW SALARIES, ALTHOUGH I BELIEVE IT THE MOST IMPORTANT CONSIDERATION. MORALE IS AS LOW AS I HAVE EVER SEEN IT.

IN DESCRIBING OUR CURRENT CONDITION AND SOME OF ITS IMPLICATIONS, I WILL BE TALKING MORE ABOUT MY OWN INSTITUTION, ALTHOUGH I BELIEVE CONDITIONS ARE TYPICAL. FIRST, FACULTY ARE MAKING LESS MONEY. THEY LIKE EVERYONE ELSE, ARE SPENDING A GREATER AND GREATER PERCENTAGE OF INCOME FOR HOUSING, FUEL, AND FOOD. LUXURIES--SPECIAL CONSUMER ITEMS LIKE AN AUTOMOBILE, A TELEVISION, OR A DEEP FREEZE--ARE MUCH MORE DIFFICULT TO ACQUIRE AND THE FAMILY WAITS LONGER. IN ADDITION, MOST OF OUR FACULTY ARE IN THEIR MID-FORTIES, HAVING BEEN HIRED AS YOUNG FACULTY WHEN WE WERE EXPANDING IN THE 1960'S and 1970'S. THEY EITHER HAVE CHILDREN WHO ARE JUST BEGINNING COLLEGE OR WILL BE WITHIN A YEAR OR TWO. THEY ARE PERPLEXED AT THE THOUGHT OF FINANCING A COLLEGE EDUCATION FOR THEIR OWN CHILDREN. BEING AT THIS PARTICULAR AGE AND STAGE IN THEIR CAREERS, FACULTY ARE PLAGUED BY OTHER CONSIDERATIONS. MOBILITY FOR FACUTLY IN MOST FIELDS OF

STUDY HAS DECLINED DRASTICALLY. A FACULTY MEMBER WHO IS NOT EARNING A SUFFICIENT AMOUNT OF MONEY, AND WHO IS NOT NEAR PROMOTION, FINDS IT DIFFICULT TO MOVE TO ANOTHER UNIVERSITY OR ANOTHER STATE TO IMPROVE HIS SITUATION. HE OR SHE FEELS TRAPPED IN A MID-CAREER CRISIS AND FEELS AN INABILITY TO AFFECT HIS OR HER OWN DESTINY. SUCH FEELINGS MAKE DECLINING INCOME DIFFICULT TO DEAL WITH AND CAUSE MANY FACULTY TO FEEL THAT THE COORDINATING BOARD, THE LEGISLATURE AND GOVERNOR HAVE NO REAL COMMITMENT TO HIGHER EDUCATION AND NO COMMITMENT TO IMPROVING SALARIES. THEY FEEL THAT THEIR ADMINISTRATORS ARE INSENSITIVE TO THE NEEDS OF THEIR OWN FACULTY. THEY FEEL THAT WE DO NOT CARE OR THAT WE ARE IMPOTENT. THERE IS A HIGH DEGREE OF DISTRUST AND SUSPICION. I DO NOT BELIEVE THAT THE ATTITUDES THAT I HAVE DESCRIBED HAVE AFFECTED THE CLASSROOM PERFORMANCE OF VERY MANY FACULTY. OF COURSE, THERE ARE SOME WHO DEVOTE CLASS TIME TO VENTING THEIR FRUSTRATION, OR WHO SHORT CHANGE THEIR STUDENTS IN OTHER WAYS, BUT THESE ARE VERY FEW. STILL, I BELIEVE THAT THE FEELING I HAVE DESCRIBED IS PRESENT AMONG A GROWING NUMBER OF FACULTY. MANY FACULTY HAVE CONCLUDED THAT THE ECONOMIC SLIP INDICATES THAT THE PROFESSION AS A WHOLE IS NO LONGER REGARDED AS HIGHLY AS IT ONCE WAS. IF IT WERE, WOULDN'T THERE BE MORE CONCERN FOR SUCH A DRASTIC LOSS OF PURCHASING POWER?

I FIND THIS FRAME OF MIND TO BE A BARRIER WHICH MUST BE OVERCOME AS WE SEEK TO IMPROVE OUR ACADEMIC PROGRAMS.

I FIND IT ESPECIALLY DIFFICULT TO DEAL WITH WHEN CONSIDERING SUCH ISSUES AS CURRICULUM IMPROVEMENT. NEW COURSES OR DIFFERENT ACADEMIC REQUIREMENTS ARE IMMEDIATELY TRANSLATED INTO MONEY, MORE PARTICULARLY, THE ALLOCATION OF RESOURCES. IF A CURRICULUM DECISION MIGHT RESULT IN THE LOSS OF SOME STUDENTS BY A GIVEN DEPARTMENT, THAT DEPARTMENT SEES THE ISSUE AS ONE THAT COULD CAUSE A LOSS OF FACULTY SALARY AND DEPARTMENTAL OPERATING DOLLARS. THUS, ACADEMIC DECISIONS ARE BECOMING MORE POLITICIZED. THE DANGER IS THAT THE NEEDS OF STUDENTS MIGHT TAKE A SECONDARY ROLE TO THE ECONOMIC NEEDS OF A GROUP OF FACULTY. IN ADDITION, I SEE AN INCREASING DISTRUST AMONG FACULTY FOR MERIT RAISES. WITH FACULTY FALLING BEHIND, THEY MUCH PREFER ACROSS-THE-BOARD INCREASES. MANY FACULTY DO NOT TRUST THE ABILITY OF ADMINISTRATORS TO MAKE EQUITABLE DECISIONS. IF A FACULTY MEMBER DOES NOT RECEIVE AN INCREASE HE OR SHE SUFFERS A SALARY CUT. WE ARE MUCH MORE LIKELY TO HAVE COMPLAINTS FILED WITH FEDERAL AGENCIES AND/OR LITIGATION OVER SUCH MATTERS IN TODAY'S ENVIRONMENT.

FACULTY ALSO HAVE OBSERVED THAT THOSE GROUPS IN SOCIETY WHICH ARE STRONGLY ORGANIZED HAVE PROTECTED THEMSELVES MORE EFFECTIVELY AGAINST THE IMPACT OF INFLATION. FACULTY WHO HAVE HAD NO USE FOR UNIONS IN THE PAST, ARE NOW SERIOUSLY CONSIDERING THAT ANSWER. IN FACT, THERE IS A SMALL CHAPTER OF AFT ON MY CAMPUS. I AM NOT TRYING TO FRIGHTEN YOU WITH THE THREAT OF UNIONISM. I AM ADVISING YOU THAT IT IS PRESENT. I DO NOT WISH TO BE A PRESIDENT WITH A UNIONIZED FACULTY

IN ADDITION TO A SIGNIFICANT SALARY INCREASE, THE COUNCIL OF PRESIDENT BELIEVES THAT THE STATE SHOULD IMPROVE BENEFITS BY PAYING THE FULL FEDERAL RATE FOR SOCIAL SECURITY. THE STATE LIMITS ON TRAVEL SUPPORT SHOULD BE INCREASED TO APPROXIMATE REALITY, AND THE STATE CONTRIBUTION TO THE GROUP INSURANCE BENEFIT SHOULD BE INCREASED SO THAT COVERAGE AS PRESCRIBED BY S.B. 95 CAN BE PROVIDED.

I THINK THAT IT IS APPARENT THAT WE CANNOT CORRECT ALL THE ILLS THAT PLAGUE MEMBERS OF COLLEGE FACULTIES TODAY. MANY ISSUES OF CONCERN HAVE ROOTS OUTSIDE OUR CONTROL. YOU CANNOT RESTORE LOST MOBILITY AND MAKE IT POSSIBLE FOR AN UNHAPPY FACULTY MEMBER TO FIND ANOTHER JOB AT ANOTHER PLACE. THERE IS A CERTAIN PERCENTAGE WHO WILL ALWAYS BE UNHAPPY.I AM CONCERNED ABOUT THE OTHERS. AND ONE THING THAT WE CAN DO IS PROVIDE A JUST AND EQUITABLE SALARY FOR THE MEMBERS OF THIS PROFESSION. WE AS A SOCIETY IN THE STATE OF TEXAS CAN DO THAT. IT IS WITHIN OUR ABILITY TO DO SO. WE ARE NOT DOING IT NOW AND WE OUGHT TO.

IN ADDITION, WE AS ADMINISTRATORS NEED TO DO OTHER THINGS --TO FIND OTHER WAYS OF REINFORCING THE POSITIVE TENDENCIES OF OUR FACULTIES. WE NEED TO CONTINUE EFFORTS AT EFFECTIVELY REWARDING MERITORIOUS SERVICE BOTH ECONOMICALLY AND IN OTHER WAYS. AGAIN, I WOULD SAY THAT WE NEED TO STIMULATE EARLY RETIREMENT, TO PROVIDE FOR UPWARD MOBILITY AMONG THE FACULTY RANKS. IT IS ECONOMICALLY IMPOSSIBLE TO PROMOTE ALL FACULTY TO FULL PROFESSOR. I SEE

LONGER AND LONGER PERIODS OF TIME IN RANK AS ASSISTANT AND ASSOCIATE PROFESSOR. WE NEED TO DEVELOP AN EFFECTIVE FACULTY DEVELOPMENT PROGRAM. WHAT I AM SAYING IS THAT, WHILE WE NEED TO INCREASE SALARIES MORE THAN ANY OTHER SINGLE ACTION, WE ALSO NEED TO DO OTHER THINGS TO IMPROVE THE QUALITY OF OUR FACULTIES.

FINALLY, I MUST REMIND YOU THAT SALARIES HAVE FALLEN FOR SUPPORT PERSONNEL ON OUR CAMPUSES AS WELL AS FOR FACULTY. THE SECRETARIAL STAFF, THE MAINTENANCE STAFF, THE FOOD SERVICE STAFF, HAVE ALL BEEN AFFECTED. THE UNIVERSITY WILL NOT OPERATE WITHOUT AN EFFICIENT, HARDWORKING CREW REPAIRING AND OPERATING THE HEATING AND AIRCONDITIONING SYSTEMS.

AGAIN, MAY I THANK YOU FOR YOUR CONCERN FOR THE WELFARE OF THE FACULTY AT TEXAS COLLEGES AND UNIVERSITIES. THEY ARE OUR MOST SIGNIFICANT RESOURCES AND THE MOST IMPORTANT INGREDIENT TO QUALITY EDUCATION.

FACULTY SALARIES AND BENEFITS
(Statement to Coordinating Board Committee, 10/28/80, Philip L. White, TACT President)

Public universities in Texas are in big trouble and the root of that trouble is salaries and benefits. Simply stated the problem is that university salaries and benefits are becoming less and less competitive with those in other employments. As usual when an employer's compensation program begins to fall behind, the ablest people are the ones who can most easily move elsewhere. Those least desired elsewhere are likely to remain. In such circumstances moonlighting necessarily increases; it saps the energies and the commitment of more and more of the remaining employees. Where collective bargaining does not exist, its appeal increases. Attracting first class people to replace those departing is difficult, to say the least. A business in such circumstances would be in danger of bankruptcy. Universities so situated merely afford lower quality education and research.

Texas can ill afford to lower the quality of either its higher education program or of university research. Lowering the quality of higher education drives the ablest young Texans to other states for training commensurate with their abilities; Texas already suffers from a brain drain for that reason. Lowering the quality of research handicaps Texas relative to states with better university research programs in attracting the high technology industries on which the American economy of the future will be based. For its long run interests Texas clearly must have both an outstanding program of higher education and research capability competitive with that in other states to attract high technology industry.

Let us look at the salary and benefit situation in several contexts. In many fields universities must compete with private industry for talent. Engineering and accounting are two paramount examples. Because private industry pays so much more than do universities in these fields two problems arise. The more obvious is that the university has a hard time keeping qualified instructors in those fields. The quality of training suffers. A less obvious but also crucial problem is that because people with BA degrees can earn as much or more than people with PhD's, fewer able graduates are going on to postgraduate work. We are in other words failing to train a new generation of leaders in these professional fields. Let it be clear that that failure arises because we do not reward adequately the faculty members who have traditionally initiated advances in those areas.

Competition with other states for superior faculty talent exists in every field of higher education. Competition in faculty recruitment, we must remember, is national and even international in scope. In that competition states such as California, Michigan, Wisconsin, Illinois, and Minnesota offer both significantly higher salaries and better benefit programs than does Texas. Several such states offer sabbatical leave programs; we do not. Data on comparative funding of research are difficult to come by, but the indications are that Texas trails also in this respect. How can we hope to compete successfully with those states in faculty recruitment?

Government jobs of a non-academic nature also attract faculty members whose compensation is inadequate. The variety of such jobs available makes comparison difficult, but it is clear that in many fields a faculty member suffering from insufficient compensation can find a non-academic job in government which will reward him far more amply.

Factors sometimes listed as helping to keep able people in faculty jobs despite inferior compensation include participation in administrative decison-making, subsidized research on topics of the individual's choice, sabbatical leaves, and free tuition for family members. In Texas pressure for hierarchical management is in some instances reducing faculty input in administration, especially in the determination of merit increases in salary. The legislature and some governing boards are seeking to undermine tenure. Funding for research has dwindled sharply. We have no sabbatical program or tuition grants. There is opportunity for improvement in each of these areas.

Compensation of librarians in public universities in Texas is fully as inadequate as that of faculty. Between 1975-1976 and 1979-1980 median salary increases for librarians at the University of Texas at Austin was 18%; at A&M it was 14%. The range among other major university libraries was from 24% to 35%.

To enable public universities in Texas to reverse the state's brain drain, to prepare to meet the research needs of a 21st century economy, to turn around the deterioration in academic and professional training, to provide a new generation of leadership in fields where individuals with BA's can now make more money in business than can faculty members with PhD's, we need these things:

1) Competitive Salaries, relative to private industry, universities in other states, and other public employment.

2) Competitive Benefit Program (including sabbaticals as well as better retirement and insurance programs)

3) Competitive Funding of Research compared to that received by faculty members at universities in other states

4) Renewed Commitment to old traditions of faculty participation in administration and to tenure and academic freedom

The means will be costly, but the end is vital.

(Supportive statistical material attached)

Average Budgeted Faculty Salaries and Faculty Real Income
for the State Senior Colleges and Universities of Texas, 1965-66 to 1980-81
and Projections through 1981-82

Academic Year	Cost of Living Index[a]	Average Budgeted Faculty Salary		Average Professorial Salary	
		Actual Amount[b]	Real Income[c]	Actual Amount[d]	Real Income[c]
(1)	(2)	(3)	(4)	(5)	(6)
1965-66	95.4	9,159	9,601	9,666	10,132
1966-67	98.6	9,656	9,793	10,020	10,162
1967-68	102.0	10,333	10,130	10,990	10,775
1968-69	106.7	10,856	10,174	11,532	10,808
GOAL: Re-establish 1968-69 Real Income					
1969-70	113.3	11,336	10,005	12,119	10,696
1970-71	119.2	11,865	9,954	12,796	10,735
1971-72	123.1	12,141	9,863	13,357	10,851
1972-73	127.7	12,623	9,885	13,837	10,83[illegible]
1973-74	139.7	13,187	9,440	14,524	10,397
1974-75	156.1	13,998	8,967	15,462	9,905
1975-76	166.7	15,618	9,368	17,328	10,39[illegible]
1976-77	175.3	16,437	9,376	18,135	10,345
1977-78	185.8	16,941	9,118	19,040	10,248
1978-79	204.7	17,573	8,585	19,840	9,692
1979-80	233.3	18,559	7,955	20,955	8,982
1980-81	263.6*	19,598	7,435	22,128	8,395
1981-82	290.0*	23,537[e]	8,116	26,576[e]	9,164

[a] The Consumer Price Index, prepared by the U.S. Bureau of Labor Statistics. Each yearly figure is for the month of January, at the midpoint of the academic year. (1967=100)

[b] Average budgeted faculty salaries are for all ranks, including lecturers and teaching assistants. Source: Coordinating Board, Texas College & Univ. System.

[c] Actual Amount divided by Cost of Living Index.

[d] Average professorial salaries are for instructors, assistant, associate and full professors combined. Source: Coordinating Board, Texas College & Univ. System.

[e] Assuming the Coordinating Board's 20.1% recommendation is achieved.

Comparison of Texas Average Faculty Salaries With the National Average for Public Senior Colleges and Universities

	1976-77		1977-78		1978-79		1979-80	
	US	TX	US	TX	US	TX	US	TX
Professor	24,500	24,190	25,660	25,330	26,990	26,560	29,100	27,760
Associate	18,640	18,930	19,510	19,730	20,650	20,660	22,110	21,670
Assistant	15,230	15,600	15,940	16,100	16,870	16,830	18,010	17,680
Instructor	12,070	12,520	12,700	12,660	13,510	13,310	14,240	13,850
All Ranks	18,730	18,360	19,720	19,060	21,010	20,110	22,620	21,160
Texas above or below U.S. average in all ranks		-2%		-3.3%		-4.3%		-6.5%
Percentage increase in average salaries		5.2%	5.2%	3.8%	6.5%	5.5%	7.7%	5.2%
Change in Consumer Price Index	5.8%		6.4%		10.8%		14%*	

Data obtained from AAUP Annual Report on Economic Status of the Profession
*Estimated

THE UNIVERSITY OF TEXAS AT AUSTIN

THE GENERAL LIBRARIES

SUMMARY:
MEDIAN PROFESSIONAL SALARY INCREASES IN THE TEN LARGEST
ARL LIBRARIES AND OTHER SELECTED INSTITUTIONS*
1975-76 - 1979-80

Institution*	Salary Increase	Percent Salary Increase
(1) Harvard	$3449	24.28%
(2) Yale	$3700	26.24%
(3) Illinois	$4680	34.87%
(4) Calif., Berkeley	$5592	29.79%
(5) Michigan	$3780	26.40%
(6) Indiana	$3555	27.73%
(7) Columbia	$4100	27.98%
(8) Stanford	$3864	24.45%
(9) Texas	$2600	18.13%
(10) Cornell	$3719	27.75%

*Ranking by size as of December 1979 for ARL Libraries in the United States.

OTHER SELECTED INSTITUTIONS

Chicago	$3600	26.97%
Duke	$3810	29.76%
Georgia	$3750	29.76%
Minnesota	$4366	29.10%
Northwestern	$3701	28.60%
Texas A&M	$2001	13.80%
Washington	$4680	35.10%
Wisconsin	$3818	29.17%

* Source of salary data ARL annual salary surveys.

7/14/80

Presented by Betty Kissler, Southwest Texas State University

Statement of the

Texas Conference, American Association of University Professors

presented to

Coordinating Board, Texas College and University System

October 28, 1980

The Coordinating Board is to be commended for establishing this ad hoc committee to study faculty salaries, benefits and other forms of remuneration and faculty recognition. When the Governor of the State of Texas, the Legislative Budget Board, the Coordinating Board, and all the presidents of the state colleges and universities support an emergency pay increase, as well as making faculty compensation a high priority item in the budget requests, it is obvious that the economic status of the Texas professoriate is in bad shape!

In a joint statement delivered before the Coordinating Board last June, the Texas Association of College Teachers, the Texas Junior College Teachers Association, and the Texas Conference of the American Association of University Professors discussed nine topics, emphasizing the necessity for promoting quality education and the necessity of viewing expenditures for high education as an investment. Four of the topics, raising faculty compensation, stimulating faculty research, improving institutional governance, and improving the quality of teaching are, in my opinion, relevant to the study this committee is conducting.

Increasing salaries and fringe benefits for the faculty in Texas has been given the highest priority by the State officials, agencies, and the institutions of higher education. The reasons are fairly obvious. The recent issue of Academe has an article entitled, "When Will Academicians Enter the Ranks of the Working Poor?" The title has an ominous threat to the professoriate--the word is "when", and according to the article as the author has projected the increases, the professoriate nation-wide will enter the ranks of the working poor within the next decade. Today as the salaries of the faculties in Texas drop farther from the national average, many faculty members feel that they are part of the lower middle class economically. A

professor, who must "moonlight" to support his family, who accepts a higher paying administrative position, who sees his students being hired at a salary higher than his own, and who watches his profession lose its respectability because the good student no longer enters the profession, is angry, frustrated, and demoralized. The morale on our university campuses is as low as I have seen it in my twenty-two years of college teaching. When one considers the disparity between the entry level of a university instructor with a PhD at approximately $16,000, an accountant with a baccalaureate at $22,000, and then a university professor with ten to fifteen years in the profession at $26,000, is it any wonder that college faculties are dissatisfied and disgruntled?

In recent years the State of Texas has invested a sizeable amount of money in the building of additional campuses and enlarging existing ones. At the same time the State invested in a faculty to teach and provided the needed funds to stimulate research and graduate programs. Although, today, fewer buildings are being constructed, the investment in bricks and mortar is still evident. Yet the decrease in expenditures in faculty salaries and research monies has caused an erosion in an investment, which in the short-term may have saved the state some money, but in the long-term could have a catastrophic effect on higher education in Texas. When one considers that many of our best teacher/scholars are leaving the State or the profession, and when each year it becomes more and more difficult to recruit able teacher/scholars, the disastrous effect on higher education is clearly evident.

Not directly related to faculty compensation, yet important in faculty recognition is the improving of the quality of education. The funding of development leaves provides a viable means to improve the quality of teaching. From reports where development leaves are funded, professors return to teaching with revitalized lectures, with exciting research projects, and with renewed enthusiasm for their profession. Why the professoriate is criticized for seeking sabbatical leaves is puzzling. Most professions provide some mechanism whereby the members can be kept current on new research, procedures, and developments within the profession. The knowledge explosion presents the faculty

with as serious a problem of keeping up-to-date as it does other professions.

Allowing faculty participation in institutional governance could promote more respect for the faculty and decrease the adversary relationship between administrators and the faculty. Using the corporate model, studies have shown that where labor has a role in the decision-making process, the profit margins have increased and both labor and management are more satisfied. Not that universities are corporations, but administrative and management techniques tend to be similar. The tenured faculty, who have a vested interest, and who are the sustaining body of a university, should have a role in the policy establishing procedures in the academic concerns of the university. For the administrators and boards of regents not to take advantage of this expertise is a short-sighted approach to the governance of a university.

Other factors which affect the status of the faculty are the exploitation of part-time and adjunct faculty, the lack of faculty status for librarians, the flaws in the formula funding system which tend to encourage quantity rather than quality education, and the threats to the tenure system and academic freedom.

As this committee continues its study of faculty compensation and recognition, I hope it will be cognizant of the fact that the immediate benefits of increases in salary and fringe benefits can be quickly eroded by continued inflation. In looking at the limited resources higher education will have in the next decade, the Coordinating Board with faculty participation should establish priorities on the most effective use of these monies. Careful monitoring of all university programs and requests will be required. We recognize that some difficult decisions will have to be made in the next decade. With the cooperation of all segments of higher education and support from the State, perhaps we can achieve excellence in education in Texas.

Retirement

and

Group Insurance

RETIREMENT

Almost everyone who is employed by the State of Texas on a regular salaried basis is required by law to participate in a retirement program of some kind. Those who work in most state agencies are covered by the Employees Retirement Law (ERS). Others working in the area of public education are subject to the Teacher Retirement Law (TRS).

In 1967, the Teacher Retirement Law was amended to provide in institutions of higher education an Optional Retirement Program (ORP) in lieu of the Teacher Retirement System for broadly defined "faculty members."

Many faculty members in higher education elect to participate in the Optional Retirement Program in lieu of the Teacher Retirement System. The Optional Retirement Program was created in order to provide retirement benefits for those whose professions may require mobility during the course of their careers. Upon initial eligibility, the individual is given 90 days to make a lifetime choice between ORP and TRS. Once a selection has been made, the faculty member must remain with the option chosen.

Contribution Rate

ERS - 14.00% Total (6.00% Member, 8.00% State)

TRS - 15.15% Total (6.65% Member, 8.50% State)

ORP - 15.15% Total (6.65% Member, 8.50% State)

This would appear inequitable for those in TRS because they have to pay .65% more of their salary toward the program than other state employees under ERS, and they receive no better benefits than those under ERS. As a matter of fact, on the whole the benefits are probably not equal to those under ERS.

On the other hand, for those in the ORP Program, the higher contribution rate provides an advantage since ORP is a personal retirement plan. More money is going into their account both from their own contribution and that of the state, so their account accordingly increases faster than would be the case under ERS.

Retirement Formula

ERS - Average of best 36 months out of last 60 months salaries x (1.5% for the first 10 years of service plus 2.0% for each year thereafter).

TRS - Average of best 5 annual salaries x (2.0% for each year of service).

ORP - Based on the total accumulation in the individual's account. The fund can be withdrawn in a lump sum or in various annunity options that vary with the different carriers.

In comparing the formulas under ERS and TRS, in some situations the ERS Formula would prove better and in others the TRS Formula would.

Retirement Age

ERS - Full formula benefits at age 60 with 10-29 years of service or at age 55 with 30 or more years of service.

Reduced benefits at age 55 with 25-29 years of service and at age 50 with 30 or more years of service.

TRS - Full formula benefits at age 65 with 10-19 years of service or at age 60 with 20 or more years of service.

Reduced benefits at age 55 with 10-29 years of service or at any age with 30 or more years of service.

ORP - With most carriers the total amount of the fund is available at anytime the individual terminates employment, after 1 year and 1 day of participation, regardless of age.

ORP could be the better situation in this regard, and ERS is superior to TRS for those with 10-19 years of service and for those with 30 or more years of service.

Purchase of Out-Of-State Service

ERS - No provision

TRS - After a person has been in TRS for 10 years he or she may purchase up to 10 years of service, one year at a time per year.

ORP - Not applicable

This is one area in which TRS benefits exceed ERS.

Purchase of Military Service

ERS - After a person has been in ERS for 10 years he or she may purchase credit for up to 5 years of military service.

TRS - Same as for ERS

ORP - Not applicable

Purchase of Withdrawn Service

ERS - Member with 2 consecutive years of service after returning to employment, may purchase credit for previous service under ERS.

TRS - Same as for ERS

ORP - Not applicable

Purchase of Developmental Leave

ERS - No provisions

TRS - Member with 5 years of service may purchase credit for up to 2 years of developmental leave.

ORP - Not applicable

This is another area where TRS has a provision not provided by ERS.

Tax Sheltering

ERS - Member contributions to the plan may not be tax sheltered. The state's contribution is tax sheltered.

TRS - Same as for ERS

ORP - Participants in ORP may tax shelter their contributions to the plan if they choose to do so. The state share is tax sheltered.

Although there are a number of minor differences between the two state retirement systems, the most significant areas of inequity are in the average salary used to calculate retirement benefits and the provisions for early retirement. ERS uses the best three-year average salary out of the last five years compensation, while TRS presently calculates benefits based on the average of the best five annual salaries. However, in its list of recommendations for 1981 legislative action, the TRS Board of Trustees has proposed a three-year average salary to be used for retirement benefit calculation. Legislative adoption of this recommendation would make the TRS retirement benefit calculation formula slightly superior to that provided under ERS.

The second area of significance is in the retirement age and number of years of service. For example, ERS currently provides for full formula benefit at age 55 with 30 or more years of service. TRS provides full benefits at age 55 with 40 years of service. Consideration was recently given by TRS to modifying the retirement age provision, but noted that the cost of implementing such a modification is about the same as the cost of adopting the three-year average salary. TRS has elected to recommend the latter since this proposal would benefit all members, including those wanting to retire early. The cost of implementing this change would be borne by the system with no increase in state or member contribution rates.

Adoption of the "three-year provision" and other TRS recommendations by the 1981 Texas Legislature would provide improved retirement benefits for faculty members participating in the Teacher Reitrement System and go far toward equalizing the benefits provided under both ERS and TRS.

GROUP INSURANCE

Higher Education employees are provided group life and health insurance through programs administered by each individual school or system. Employees of other state agencies participate in the statewide group insurance program administered by the Employees Retirement System.

The state contributes $40 toward the premium cost of each employee's selected coverage.

On September 1, 1975, Senate Bill 18 became effective which created the "Texas Public Employees Uniform Group Insurance Program" to provide uniformity in life, accident, and health insurance for all state employees. This Act provided for the Employees Retirement System to design, contract for, and administer one state-supported group insurance program for all state employees. At that time, the act exempted "employees of any university, senior or junior college, or any other agency of higher education..." but specified that "as of September 1, 1977, 'employee' shall also mean and include any appointive state official or employee of any university, senior or junior college, or any other agency of higher education..." In effect, institutions of higher education were given a two-year period to create an alternate program or to join the statewide group.

Higher Education opted for the former alternative and produced Senate Bill 95 which created the Texas Public College and University Employee Uniform Insurance Benefits Act. The Act became effective on September 1, 1977. The Act permits institutions to retain local autonomy over their group insurance program, but does require each such program to meet the standards developed by a nine-member Administrative Council whose responsibility is to administer the provisions of the Act.

In Fiscal 1980, 81,251 employees and retirees in public institutions participated in the higher education insurance program, which included 66 institutional group insurance plans--48 junior college programs and 18 senior college programs. During this time period state appropriations to the program were $35 per month per eligible employee or retiree.

Problems

Costs

One of the basic problems created by the Act has been the difficulty of some institutions in obtaining the basic coverage required for the state appropriated amount. In Fiscal 1980, the premium for the basic coverage at nine institutions (all public community colleges) exceeded the state appropriated amount of $35. In each case the institution's program contained provisions over and above the basic standards required by the Administrative Council. However, these same nine institutional programs provided benefits which in some areas exceeded the state employees' basic plan and in other areas did not meet the state's basic plan.

As health care costs continue to rise, it becomes increasingly questionable whether all the institutions (particularly those in high costs areas) will be able to continue to procure group insurance contracts (within the state appropriated amount) for their employees which meet the standards of the Administrative Council and, more importantly, which provide benefits equivalent to those provided other state employees. A comparison of the Fiscal 1980 state employees' plan with the Fiscal 1980 college and university plans indicates that for each area of benefit

(other medical expenses being the exception). 50% of the institutional basic plans did not meet the state's basic plan. When we look at an institution's total insurance package (basic plan plus options), we find that approximately 50% of the institutional plans offer benefits equivalent to the state's basic plan at no cost to the employee.

The legislature has appropriated a $40 monthly contribution for employee insurance premiums beginning September 1, 1980. This represents a 14.3% increase over the FY 80 contribution of $35. The Consumer Price Index from July 1979 to July 1980 rose 13%, while the index for health care costs during that same time period rose 11.4% Other statistics indicate that although premium rates slowed to a 12% increase last year, premium costs are now rising by 14% to 20% (Wall Street Journal, September 25, 1980). Appropriations of $50 and $60 per employee and retiree insurance premiums have been recommended for the next biennium.

Funding

A second and more fundamental problems with the current program is that only employees and retirees whose salaries are or were paid from state appropriations receive the state's contribution. Employees in auxiliary enterprises, for example, must be provided with the required basic insurance coverage, but do not receive the $40 contribution from the state. The institution is required to pay the premium. This can be a major problem for institutions which have a large number of employees paid from local tax dollars (for example, community colleges or auxiliary enterprises such as housing, food service, and bookstores). One of the more peculiar features of the program is that no funding is provided for

retirees who at the time they were employed were paid from non-appropriated funds. For an employee whose salary is paid from a federal grant, for example, the institution must pay the insurance premium and generally does so from the funds included in the grant. Once that employee retires, however, and such grant money is no longer available, the institution must continue to pay the insurance premium.

The Administrative Council has recommended for the next biennium that the legislature appropriate funds to pay for the insurance premiums of all individuals for whom the institution is required to make a contribution. If the legislature were to fully fund the program, one of the major impediments to its meeting all legislative requirements would be removed.

Experience

A third disadvantage that exists in the current program is that due to the size, location, and experience of the different insured groups, some institutions are able to obtain much greater coverage at lower premium rates. This lower premium enables the employee to use the remainder of the employer's contribution towards optional other insurance coverage or dependent coverage. Employees at other institutions with higher premiums will not receive this benefit. Hence, benefits are not being provided on an equitable basis, but if the advantages of a decentralized program with local options are maintained, perfect comparability and equity can never be achieved. The institutions overwhelmingly favor the continuation of the decentralized system permitted by Senate Bill 95.

Advantages

The principal advantage to the present system is that the institutions retain autonomy over the planning and administration of their institutional programs.

Such autonomy provides for flexibility in developing benefit packages and for some institutions may result in a plan which is superior to the state employees' plan or which better suits the needs of the employees at a particular institution.

Alternatives

Mandatory Pooling

Several alternatives exist to the present program. One of the proposals which has been given some consideration is the concept of mandatory pooling. The smaller institutions could be placed in regional pools, thereby creating larger groups with the potential for lower premium rates. The larger systems would remain independent. During the 1979 legislative session, a resolution was introduced into the House of Representatives which, if passed, would have required the Administrative Council to assist institutions in pooling and to report all unsuccessful attempts to the 67th Legislature and to recommend statewide or regional pools of institutions. Attempts at pooling have failed largely due to institutional opposition. The schools which have successful group experience are unwilling to pool with those that have poor experience ratings. Fear of loss of autonomy and increased premium rates are cited as reasons.

Statewide Higher Education Pool

A second alternative would be to create one statewide higher education pool. This option would provide the benefits of one large group with the advantage of lower premium rates and uniform benefits. While this concept might prove attractive to the smaller institutions, it almost certainly would be opposed by the larger institutions, whose paramount concern is retaining autonomy over their group insurance programs.

Participate in State Employees Group

A third alternative would be to include higher education personnel in the state employees group, where they were originally placed when the program was created. This solution would be a feasible one since a system for implementation already exists and higher education personnel could simply be incorporated into it. However, the Employees Retirement System which administers the program is opposed to the concept because of the administrative problems that would be created. ERS notes that since higher education personnel are members of TRS or ORP, they have no natural link with those employees and retirees through the ERS system. ERS has no direct access to these employees since they maintain no records on them. Secondly, ERS notes that all but a few institutions are located outside of Austin. ERS presently handles disbursement through the Austin offices of all state agencies. Thirdly, ERS currently has about 100,000 individuals in their group insurance program. According to ERS, adding 80,000 higher education personnel would not decrease premium rates. Finally, if ERS were to include higher education personnel, participation would have to be required of all institutions. Participation on an elective basis would result in the larger institutions remaining independent, and those with higher rates and less coverage wishing to participate.

Statewide Higher Education Group

A fourth alternative would be to develop a statewide program to be administered by TRS which would include higher education personnel as well as public school teachers. One of the TRS current recommendations to the 1981 Legislature is to obtain funding from the State for a study by an independent consulting firm of a group health insurance program for active and retired TRS members. However, TRS indicates such a program would be for public school personnel only and would

be similiar to the Higher Education Insurance Program. The chief advantage of having TRS administer a statewide program for higher education personnel is its direct access to such personnel through the retirement system. TRS does not, however, have any such ready access to information on ORP participants.

Self-Insurance

Finally, the Advisory Committee to the Higher Education Insurance Program has recently undertaken a study of the feasibility of a statewide self-insurance program for the institutions of higher education. Such statewide programs of self-insurance are now in effect in Georgia and Louisiana. The findings and recommendations of the Advisory Committee may provide insight into whether such a program is a viable alternative to the present situation.

Group insurance for higher education is the responsibility of the Administrative Council, and the problems are currently under study by that group. The committee, therefore, does not consider it appropriate to recommend a resolution on this topic.

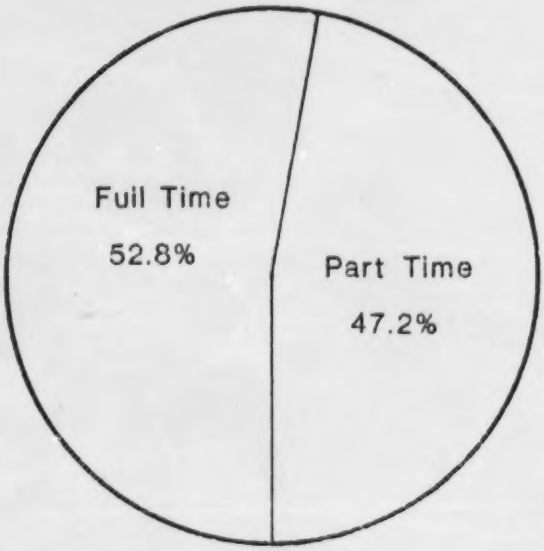
Faculty Profile

and

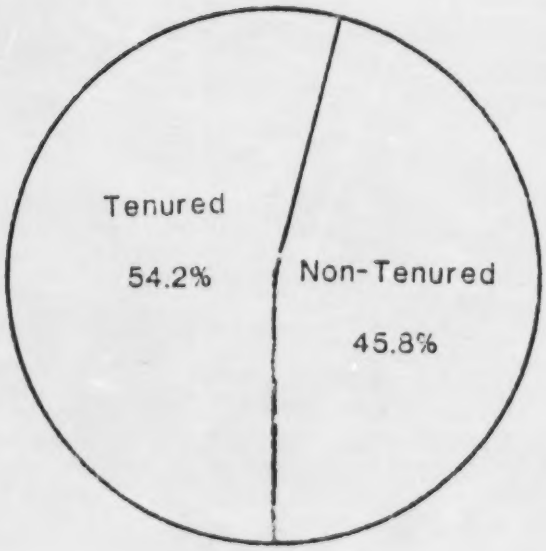
Salary Level Comparisons

FACULTY PROFILE FALL 1979

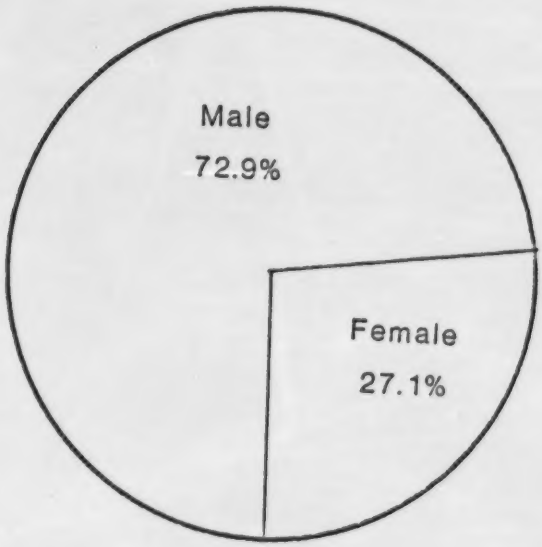
Teaching Function Percentage



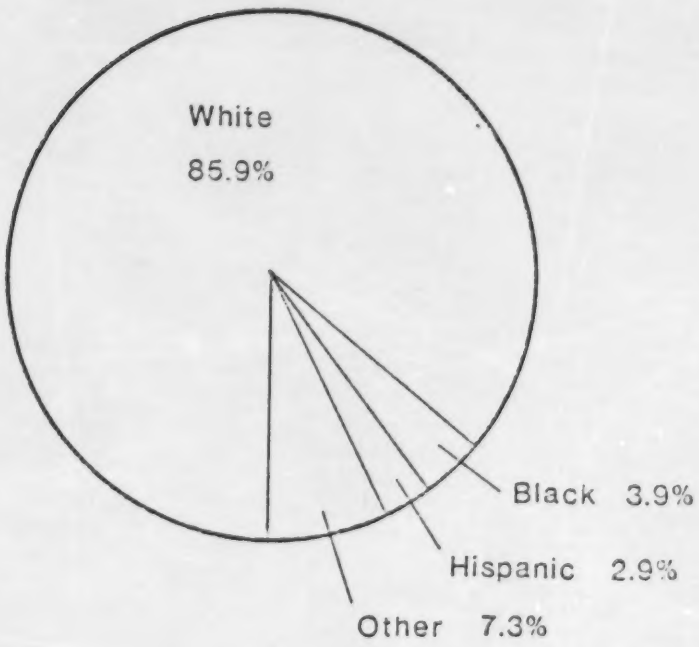
Tenure



Sex

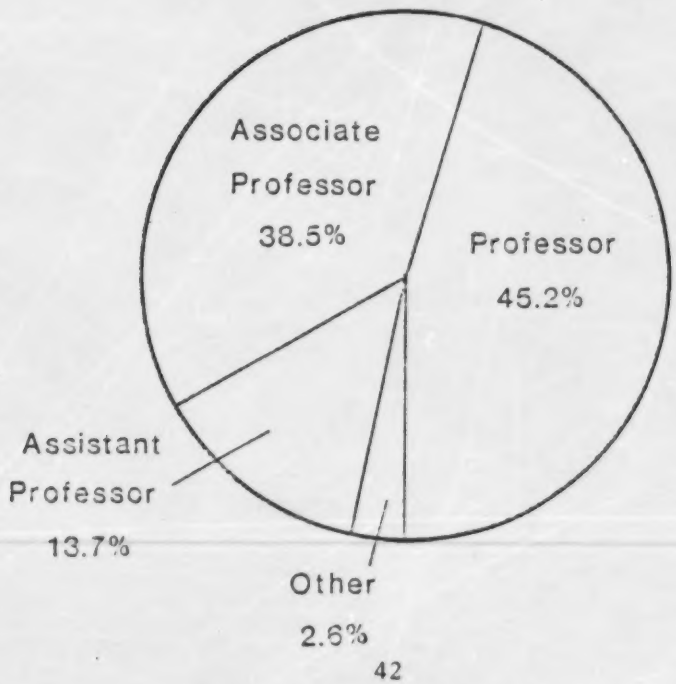


Ethnic Origin



Rank

Tenured by Rank



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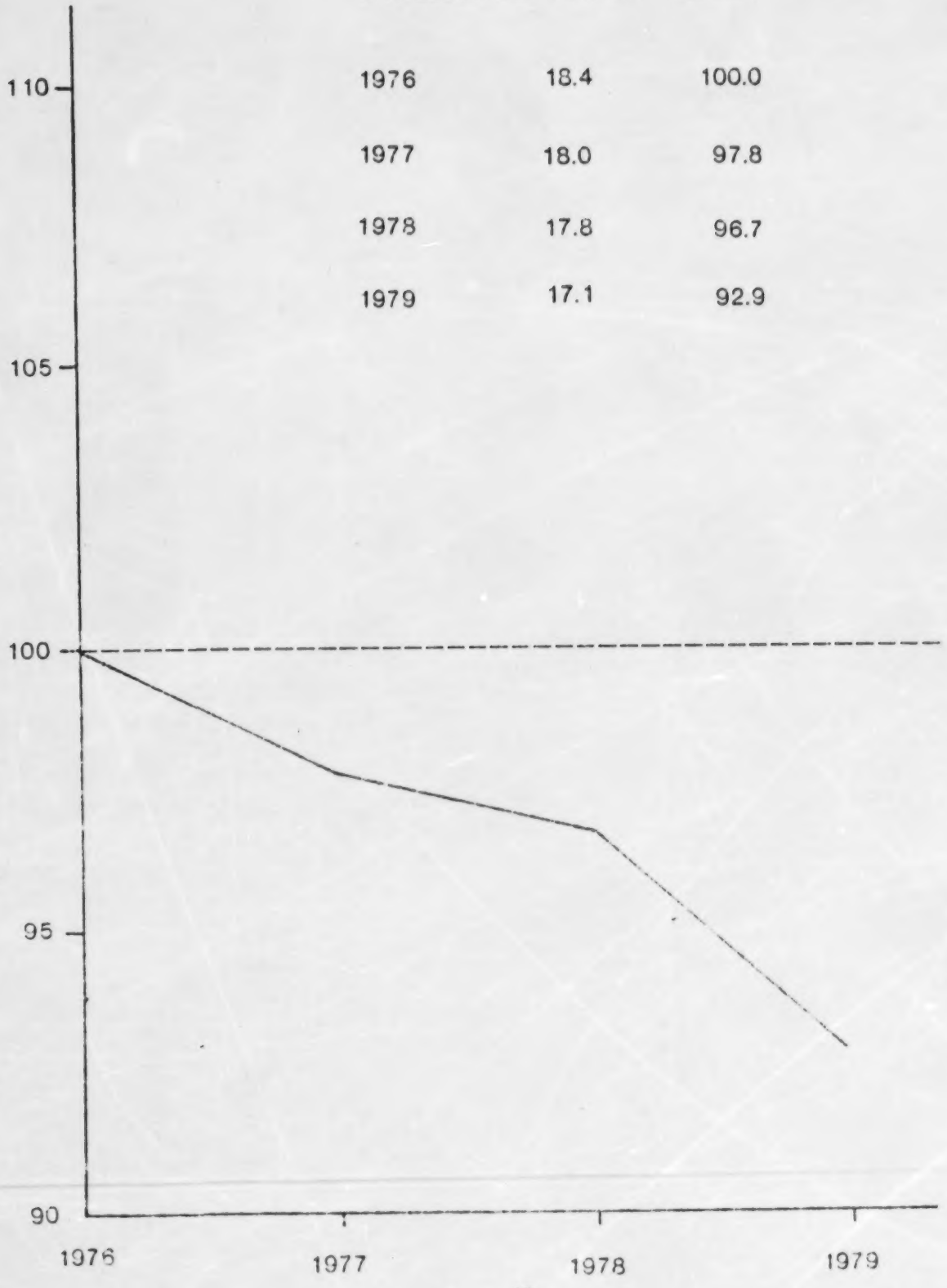
FALL STUDENT FACULTY RATIOS

(INCLUDES ALL FACULTY RANKS)

1976	18.4	100.0
1977	18.0	97.8
1978	17.8	96.7
1979	17.1	92.9

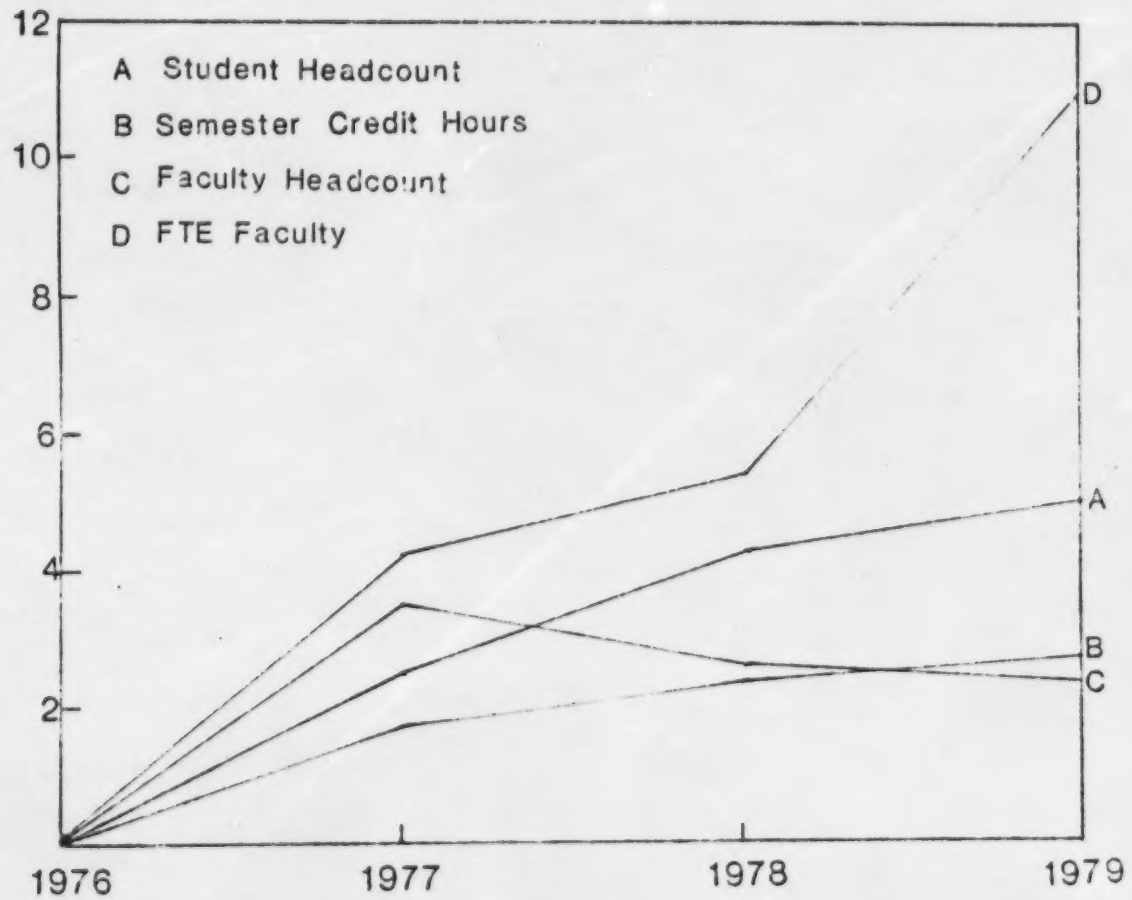


RATIO OF SELECTED DATA ITEMS FOR FALL 1977, 1978, AND 1979

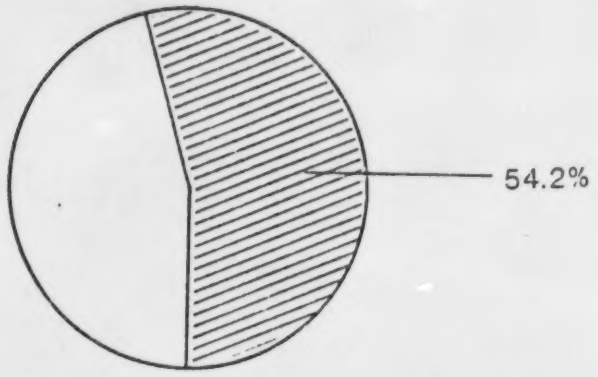
TO FALL 1976 (EXPRESSED AS PERCENT)

TEXAS PUBLIC SENIOR COLLEGES AND UNIVERSITIES

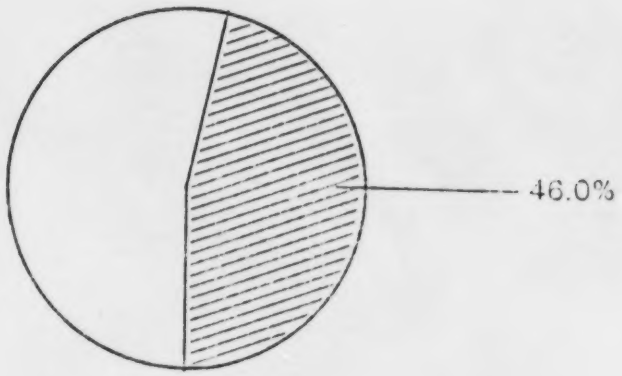
	Percentage Increase From Fall 1976			
	1976	1977	1978	1979
Student Headcount	-	2.62%	4.27%	5.00%
Semester Credit Hours	-	1.80%	2.30%	2.70%
Faculty Headcount	-	3.55%	2.67%	2.50%
Faculty FTE	-	4.34%	5.56%	10.85%



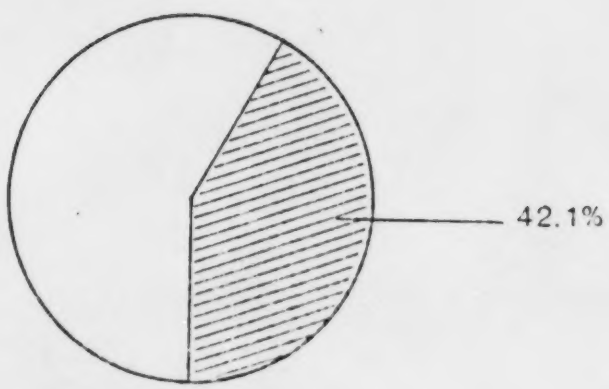
PORTION OF TOTAL STATE SPENDING
PUBLIC SENIOR COLLEGES AND UNIVERSITIES
ALLOCATED TO FACULTY SALARIES



1968

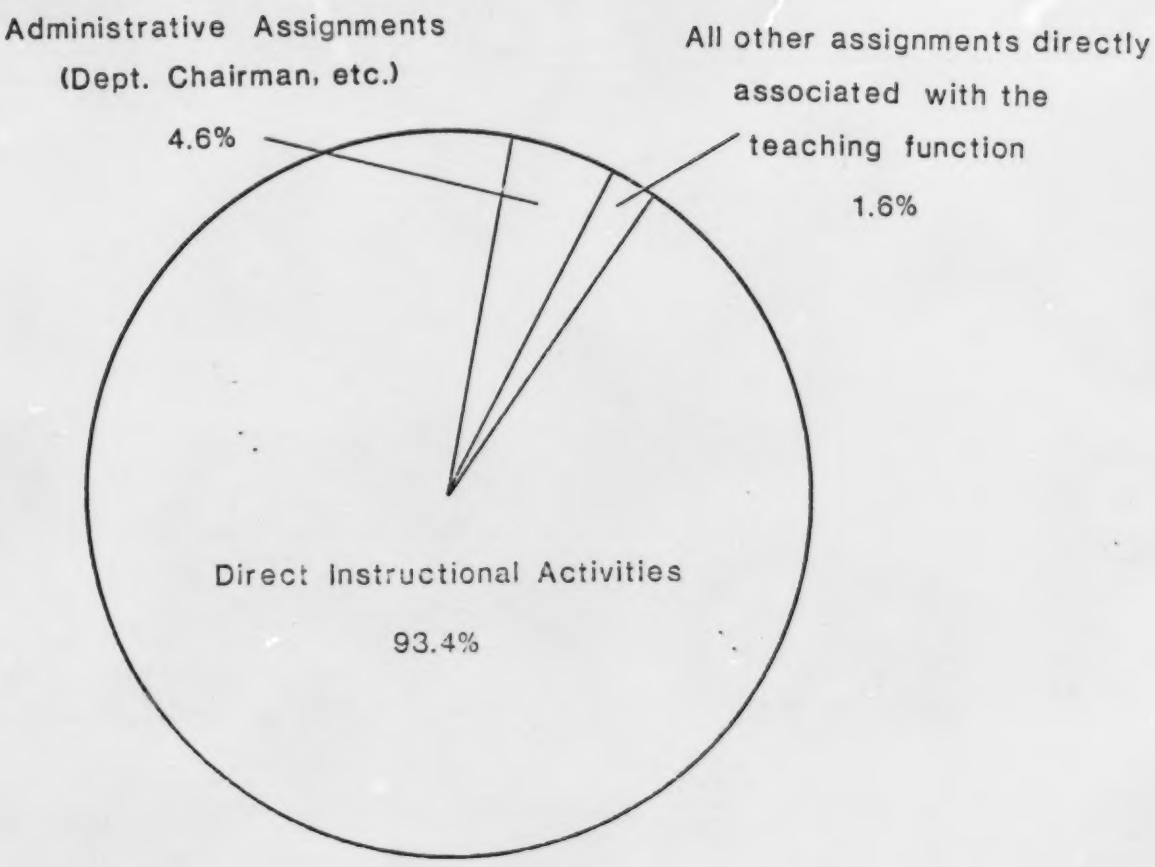


1976



1980

DISTRIBUTION OF FACULTY SALARIES
BY APPOINTMENT
FALL 1979



SALARY LEVELS

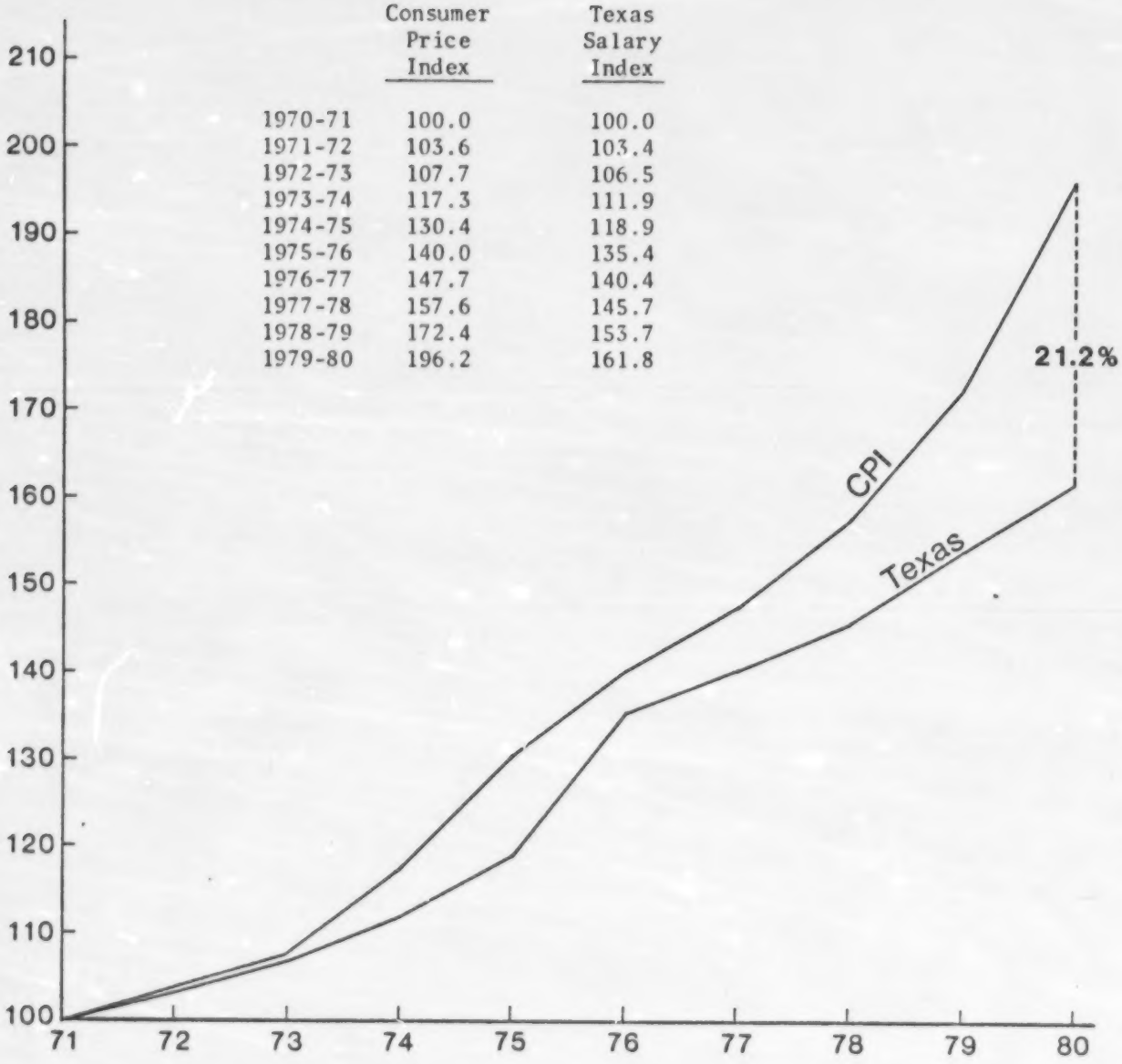
IN THE DATA THAT IS PRESENTED NEXT, THE NINE MONTH AVERAGE FACULTY SALARIES FOR THE NATION AND FOR TEXAS IS COMPARED TO EACH OTHER AND TO THE CONSUMER PRICE INDEX FOR THE PERIOD 1970-71 TO 1979-80.

THE CONSUMER PRICE INDEX HAS BEEN CONVERTED TO A BASE OF 100 FOR THE NINE MONTH AVERAGE OF THE ACADEMIC YEAR 1970-71 SO THAT THE COMPARISONS ARE FOR THE SAME PERIODS OF TIME, SEPTEMBER THROUGH MAY.

THE SALARY COMPARISONS INCLUDE ONLY THE FIRST FOUR RANKS OF FACULTY (PROFESSORS, ASSOCIATE PROFESSORS, ASSISTANT PROFESSORS, AND INSTRUCTORS) AND COMPARES THE AVERAGE OF ALL PUBLIC SENIOR COLLEGES AND UNIVERSITIES IN TEXAS TO THE NATIONAL AVERAGE FOR PUBLIC SENIOR COLLEGES AND UNIVERSITIES WITH GRADUATE PROGRAMS.

COMPARISON OF CPI WITH STATE SALARY INDEX
1970-71 TO 1979-80, First Four Ranks

	Consumer Price Index	Texas Salary Index
1970-71	100.0	100.0
1971-72	103.6	103.4
1972-73	107.7	106.5
1973-74	117.3	111.9
1974-75	130.4	118.9
1975-76	140.0	135.4
1976-77	147.7	140.4
1977-78	157.6	145.7
1978-79	172.4	153.7
1979-80	196.2	161.8



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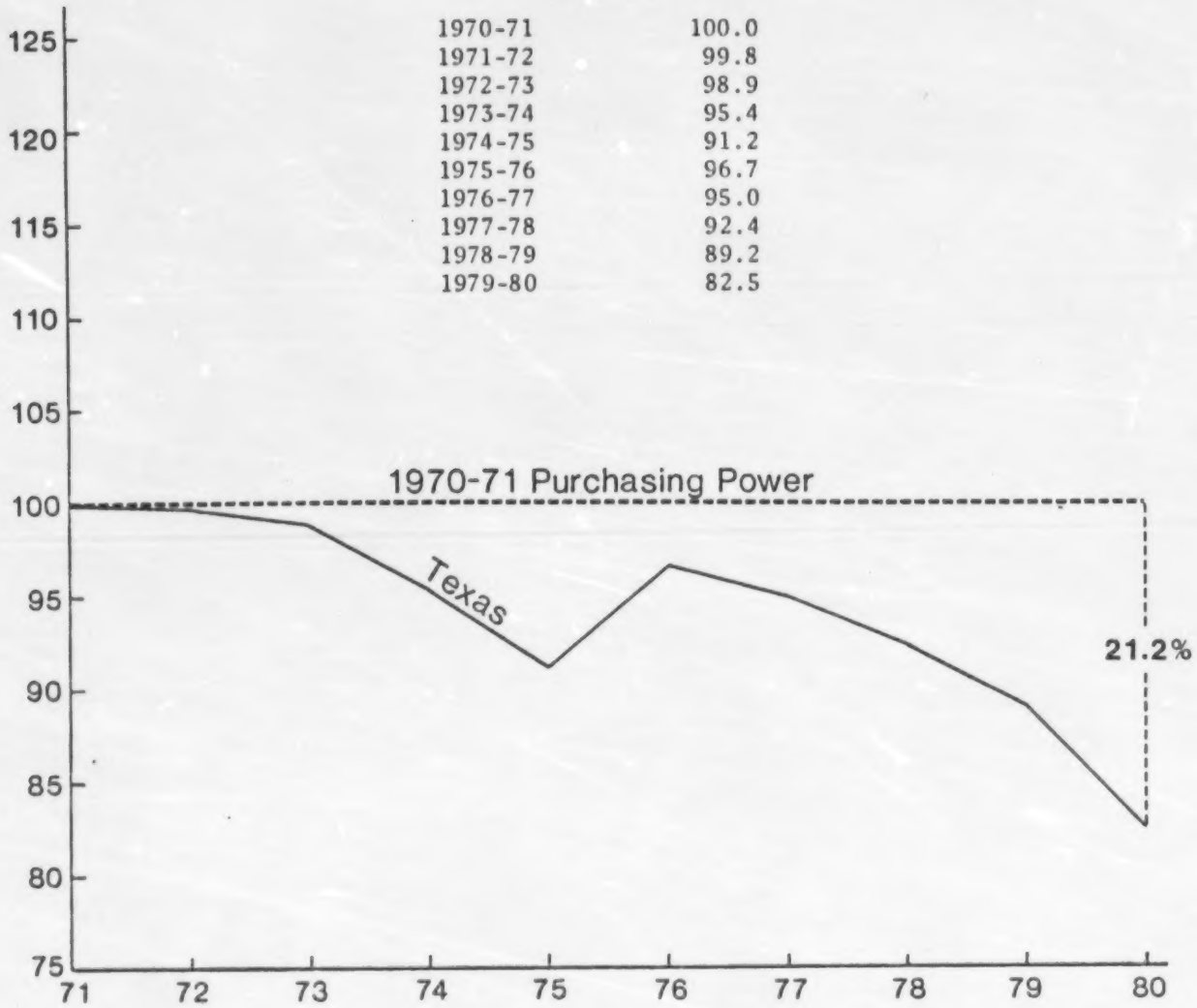
AVERAGE FACULTY SALARIES
EXPRESSED IN TERMS OF PURCHASING POWER
BASED ON THE CPI FROM 1970-71 TO 1979-80

Index in 1970-71 Prices

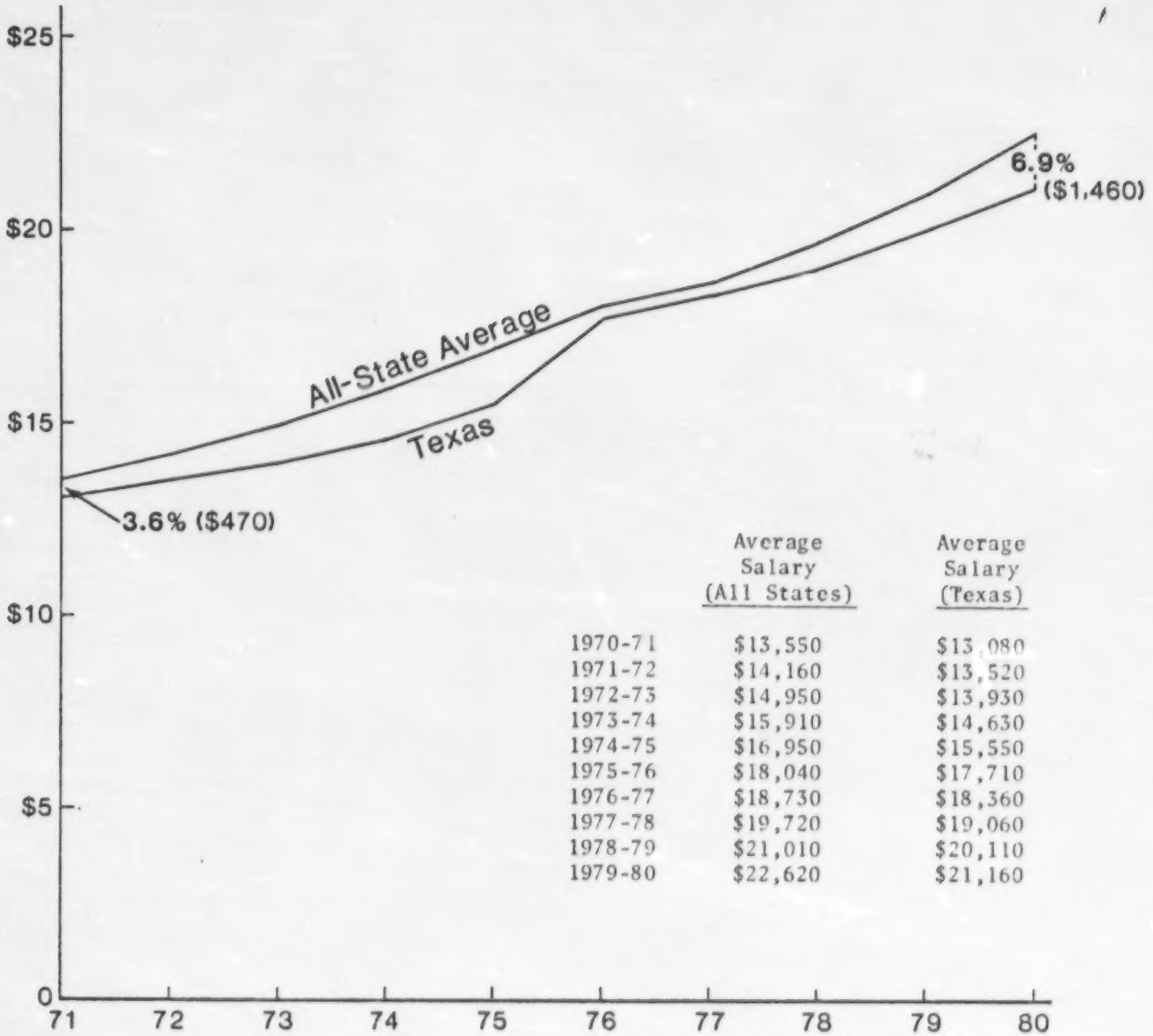
Texas

1970-71	100.0
1971-72	99.8
1972-73	98.9
1973-74	95.4
1974-75	91.2
1975-76	96.7
1976-77	95.0
1977-78	92.4
1978-79	89.2
1979-80	82.5



COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 TO 1979-80, First Four Ranks
Texas and All States

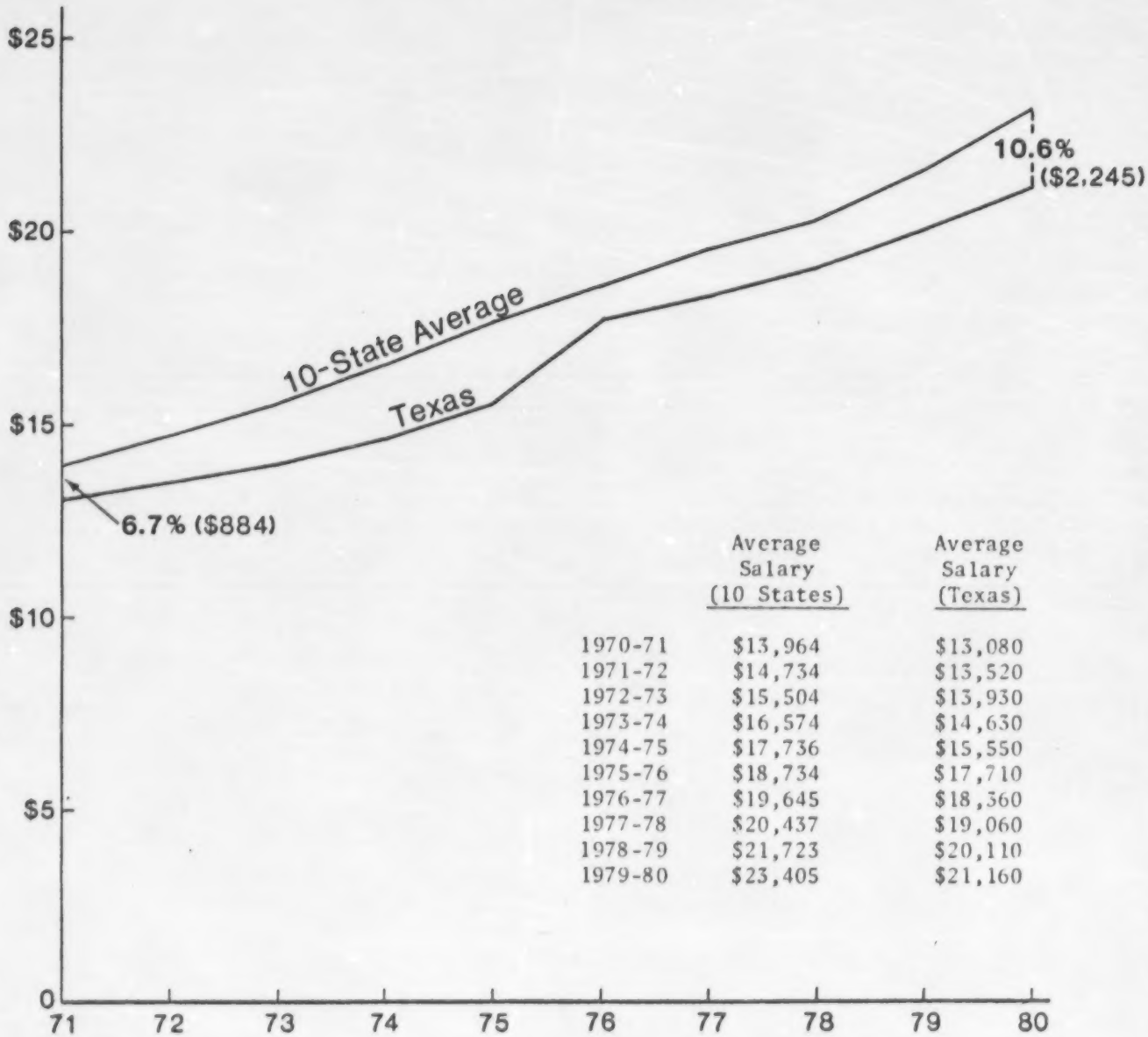
(IN THOUSANDS OF DOLLARS)



	Average Salary (All States)	Average Salary (Texas)
1970-71	$13,550	$13,080
1971-72	$14,160	$13,520
1972-73	$14,950	$13,930
1973-74	$15,910	$14,630
1974-75	$16,950	$15,550
1975-76	$18,040	$17,710
1976-77	$18,730	$18,360
1977-78	$19,720	$19,060
1978-79	$21,010	$20,110
1979-80	$22,620	$21,160

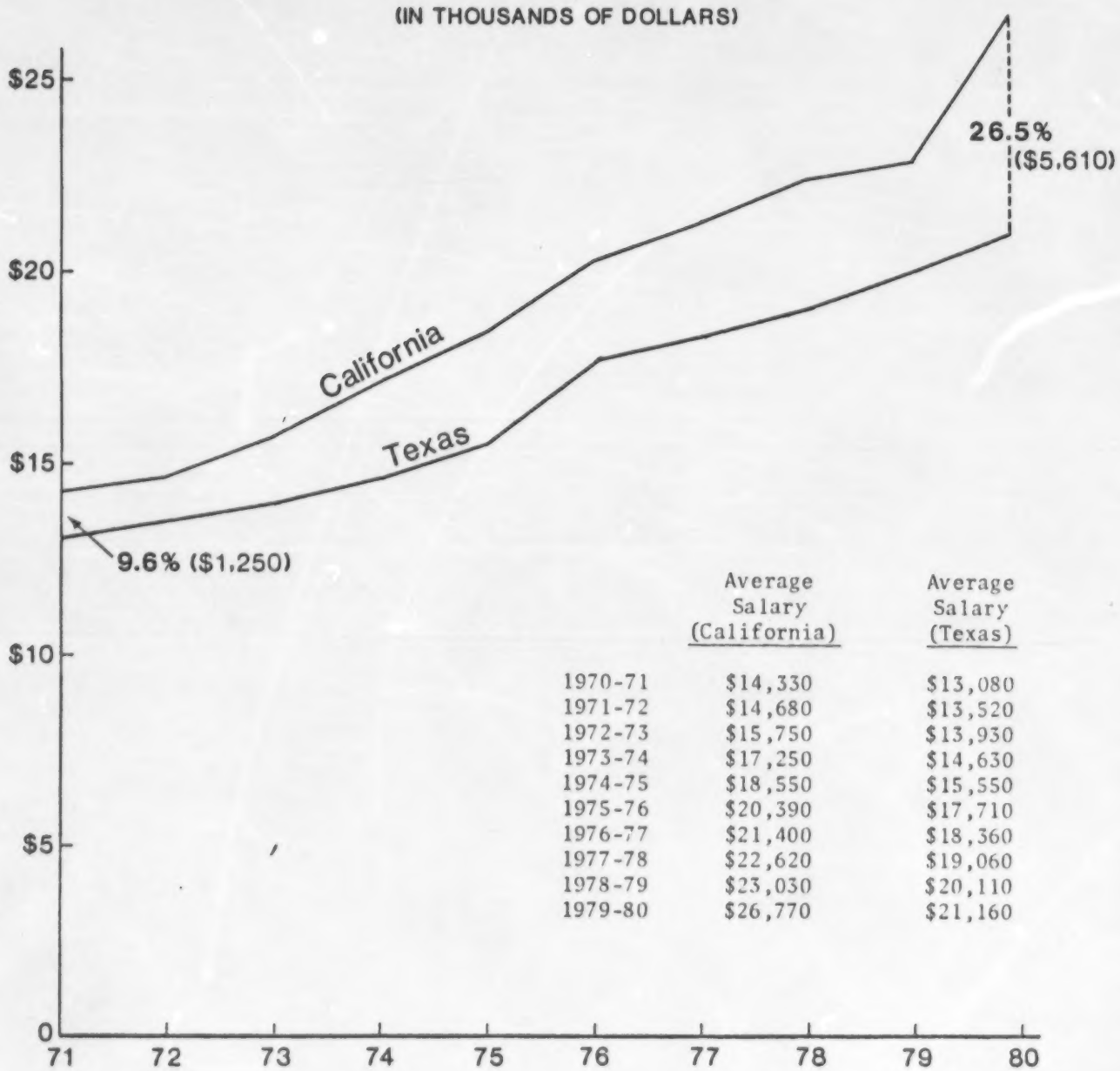
COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and Ten Largest States

(IN THOUSANDS OF DOLLARS)



	Average Salary (10 States)	Average Salary (Texas)
1970-71	$13,964	$13,080
1971-72	$14,734	$13,520
1972-73	$15,504	$13,930
1973-74	$16,574	$14,630
1974-75	$17,736	$15,550
1975-76	$18,734	$17,710
1976-77	$19,645	$18,360
1977-78	$20,437	$19,060
1978-79	$21,723	$20,110
1979-80	$23,405	$21,160

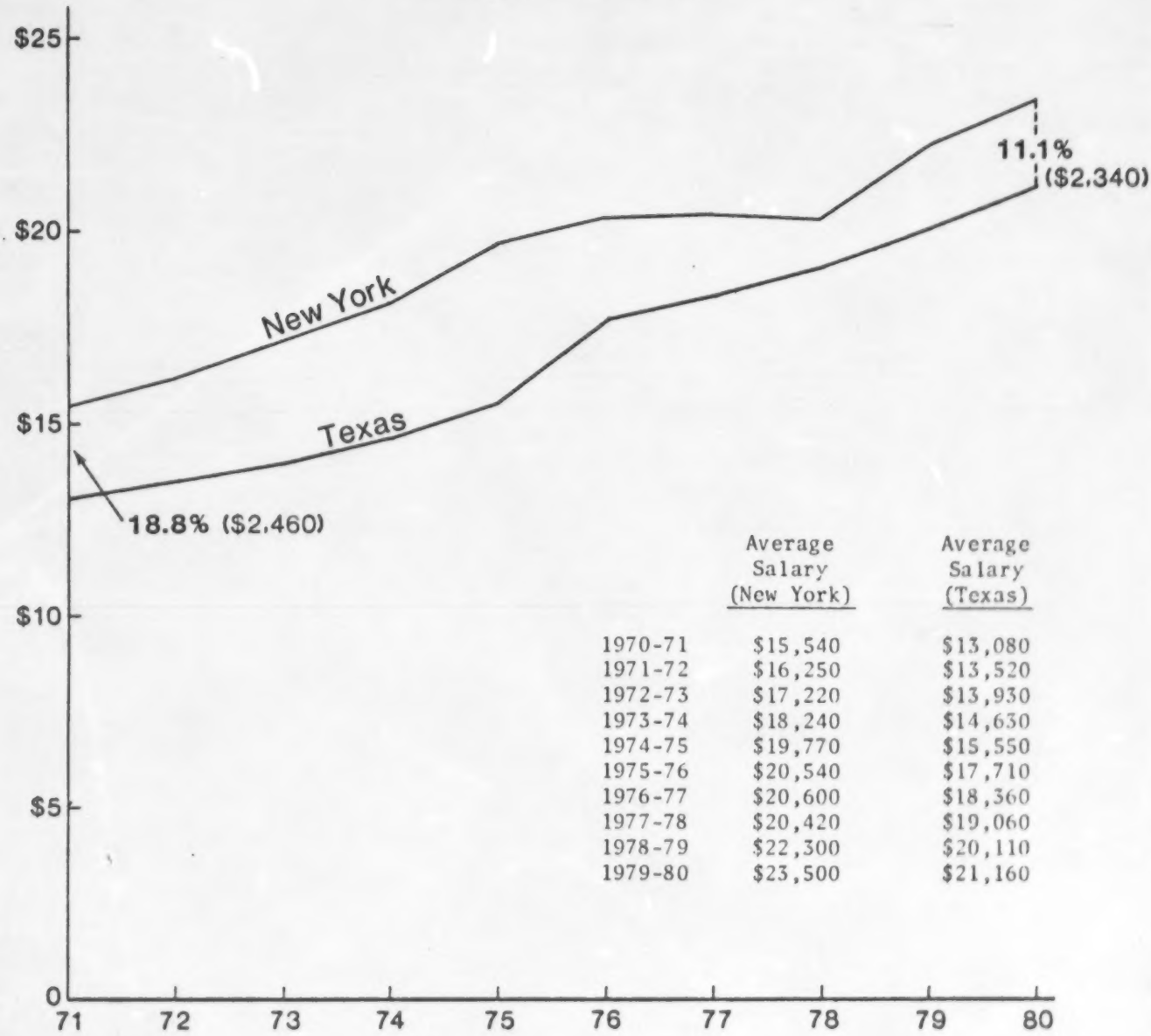
COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and California



	Average Salary (California)	Average Salary (Texas)
1970-71	$14,330	$13,080
1971-72	$14,680	$13,520
1972-73	$15,750	$13,930
1973-74	$17,250	$14,630
1974-75	$18,550	$15,550
1975-76	$20,390	$17,710
1976-77	$21,400	$18,360
1977-78	$22,620	$19,060
1978-79	$23,030	$20,110
1979-80	$26,770	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and New York

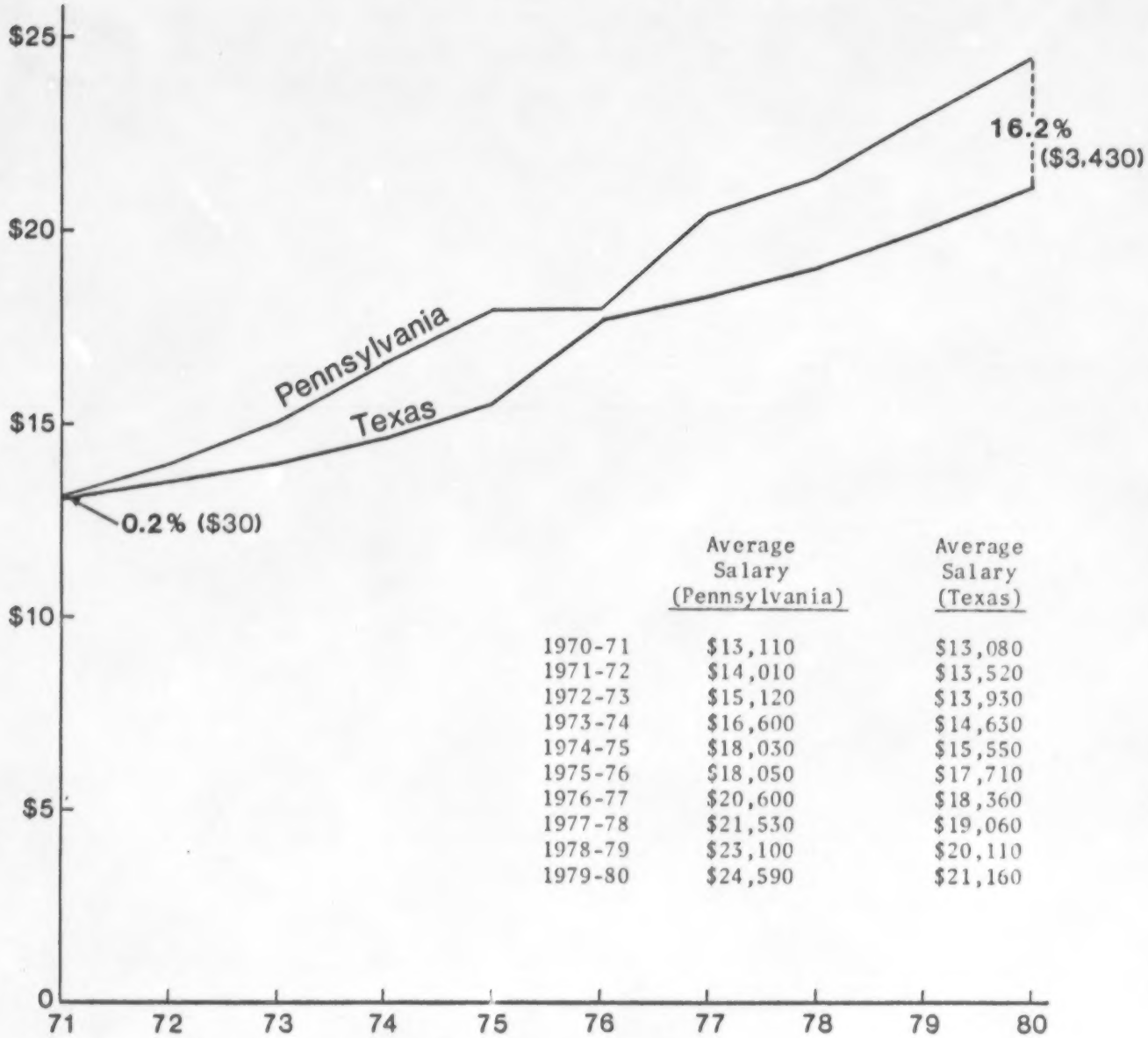
(IN THOUSANDS OF DOLLARS)



	Average Salary (New York)	Average Salary (Texas)
1970-71	$15,540	$13,080
1971-72	$16,250	$13,520
1972-73	$17,220	$13,930
1973-74	$18,240	$14,630
1974-75	$19,770	$15,550
1975-76	$20,540	$17,710
1976-77	$20,600	$18,360
1977-78	$20,420	$19,060
1978-79	$22,300	$20,110
1979-80	$23,500	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and Pennsylvania

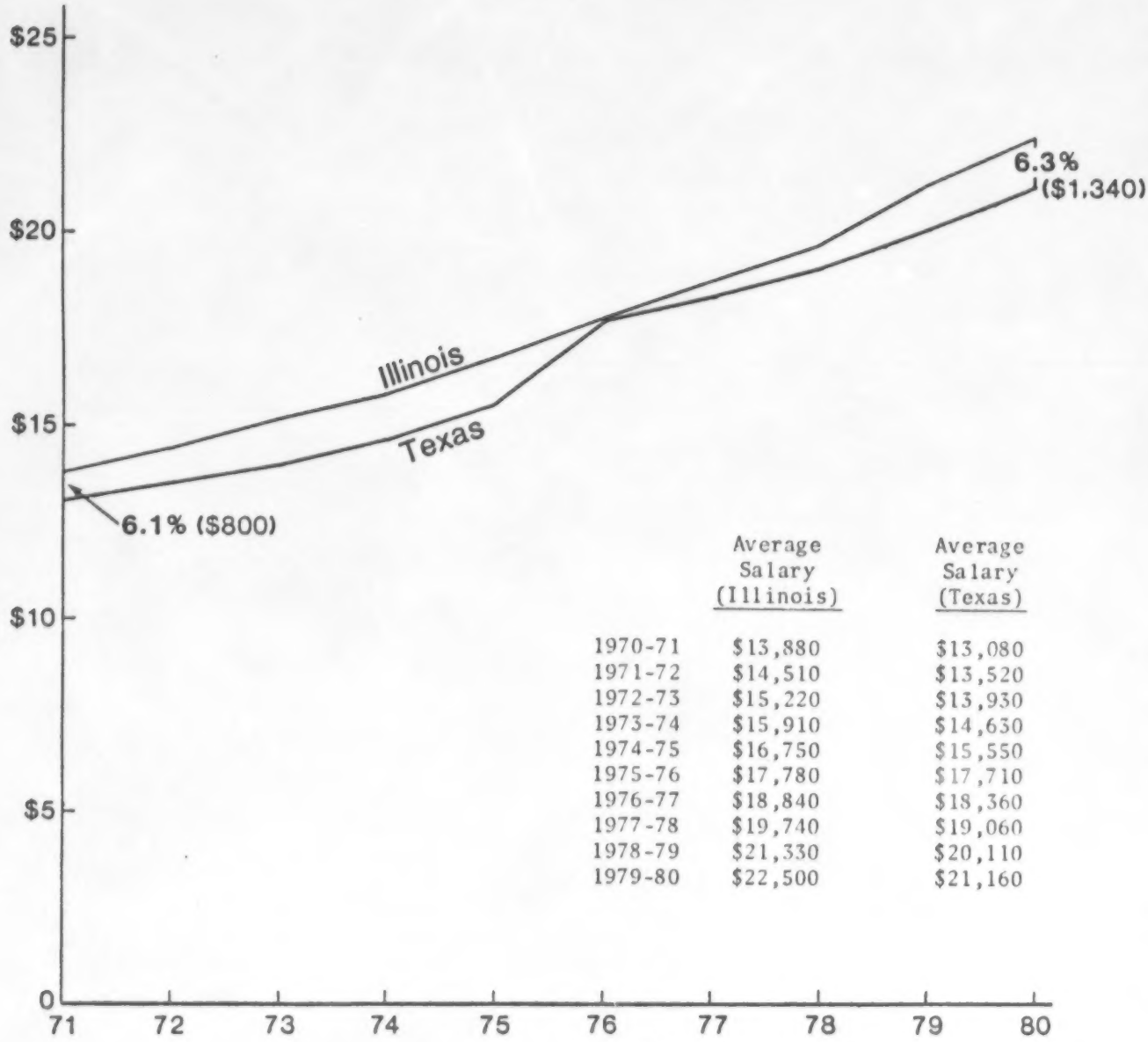
(IN THOUSANDS OF DOLLARS)



	Average Salary (Pennsylvania)	Average Salary (Texas)
1970-71	$13,110	$13,080
1971-72	$14,010	$13,520
1972-73	$15,120	$13,930
1973-74	$16,600	$14,630
1974-75	$18,030	$15,550
1975-76	$18,050	$17,710
1976-77	$20,600	$18,360
1977-78	$21,530	$19,060
1978-79	$23,100	$20,110
1979-80	$24,590	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and Illinois

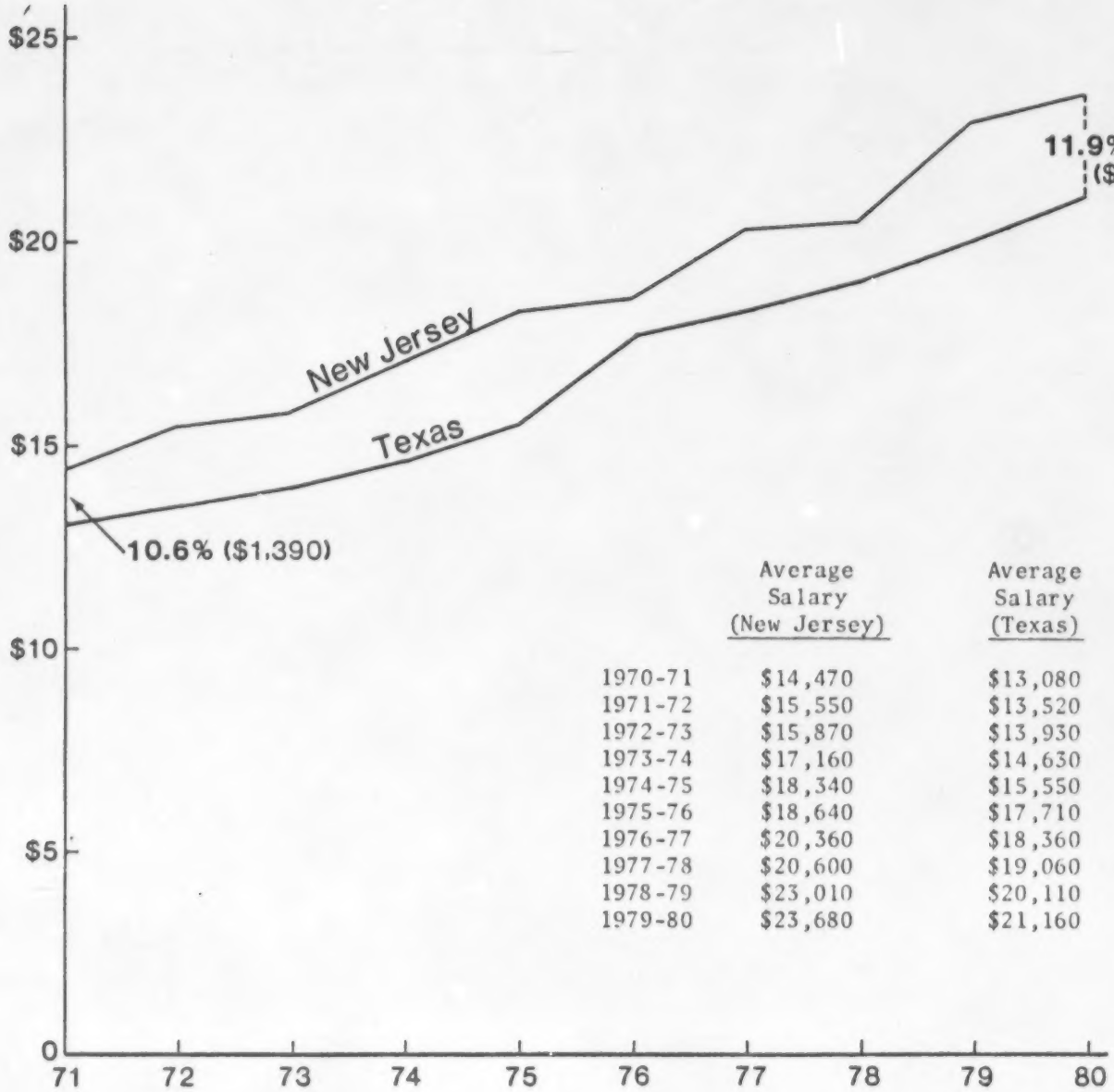
(IN THOUSANDS OF DOLLARS)



	Average Salary (Illinois)	Average Salary (Texas)
1970-71	$13,880	$13,080
1971-72	$14,510	$13,520
1972-73	$15,220	$13,930
1973-74	$15,910	$14,630
1974-75	$16,750	$15,550
1975-76	$17,780	$17,710
1976-77	$18,840	$18,360
1977-78	$19,740	$19,060
1978-79	$21,330	$20,110
1979-80	$22,500	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and New Jersey

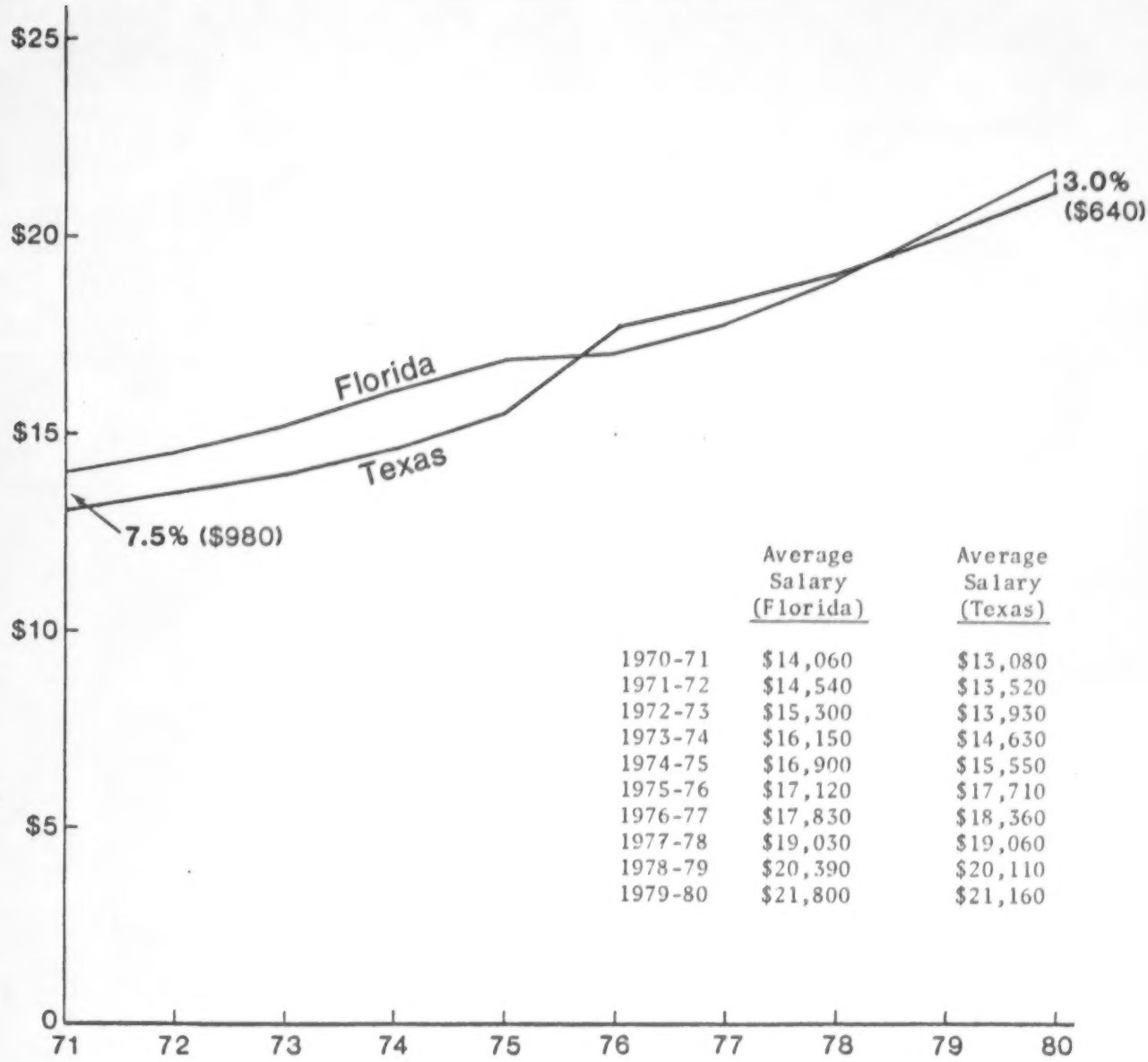
(IN THOUSANDS OF DOLLARS)



	Average Salary (New Jersey)	Average Salary (Texas)
1970-71	$14,470	$13,080
1971-72	$15,550	$13,520
1972-73	$15,870	$13,930
1973-74	$17,160	$14,630
1974-75	$18,340	$15,550
1975-76	$18,640	$17,710
1976-77	$20,360	$18,360
1977-78	$20,600	$19,060
1978-79	$23,010	$20,110
1979-80	$23,680	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and Florida

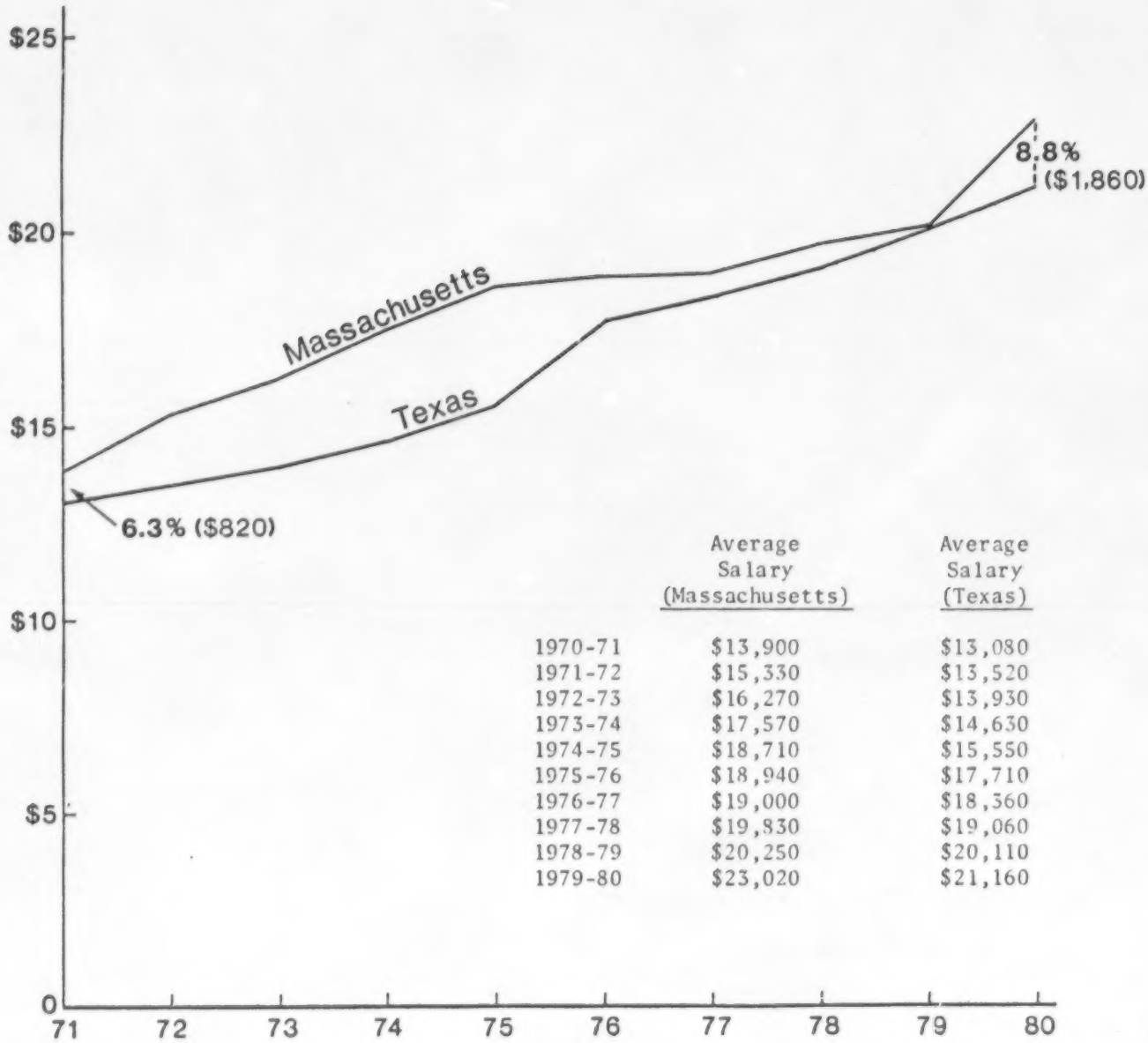
(IN THOUSANDS OF DOLLARS)



	Average Salary (Florida)	Average Salary (Texas)
1970-71	$14,060	$13,080
1971-72	$14,540	$13,520
1972-73	$15,300	$13,930
1973-74	$16,150	$14,630
1974-75	$16,900	$15,550
1975-76	$17,120	$17,710
1976-77	$17,830	$18,360
1977-78	$19,030	$19,060
1978-79	$20,390	$20,110
1979-80	$21,800	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and Massachusetts

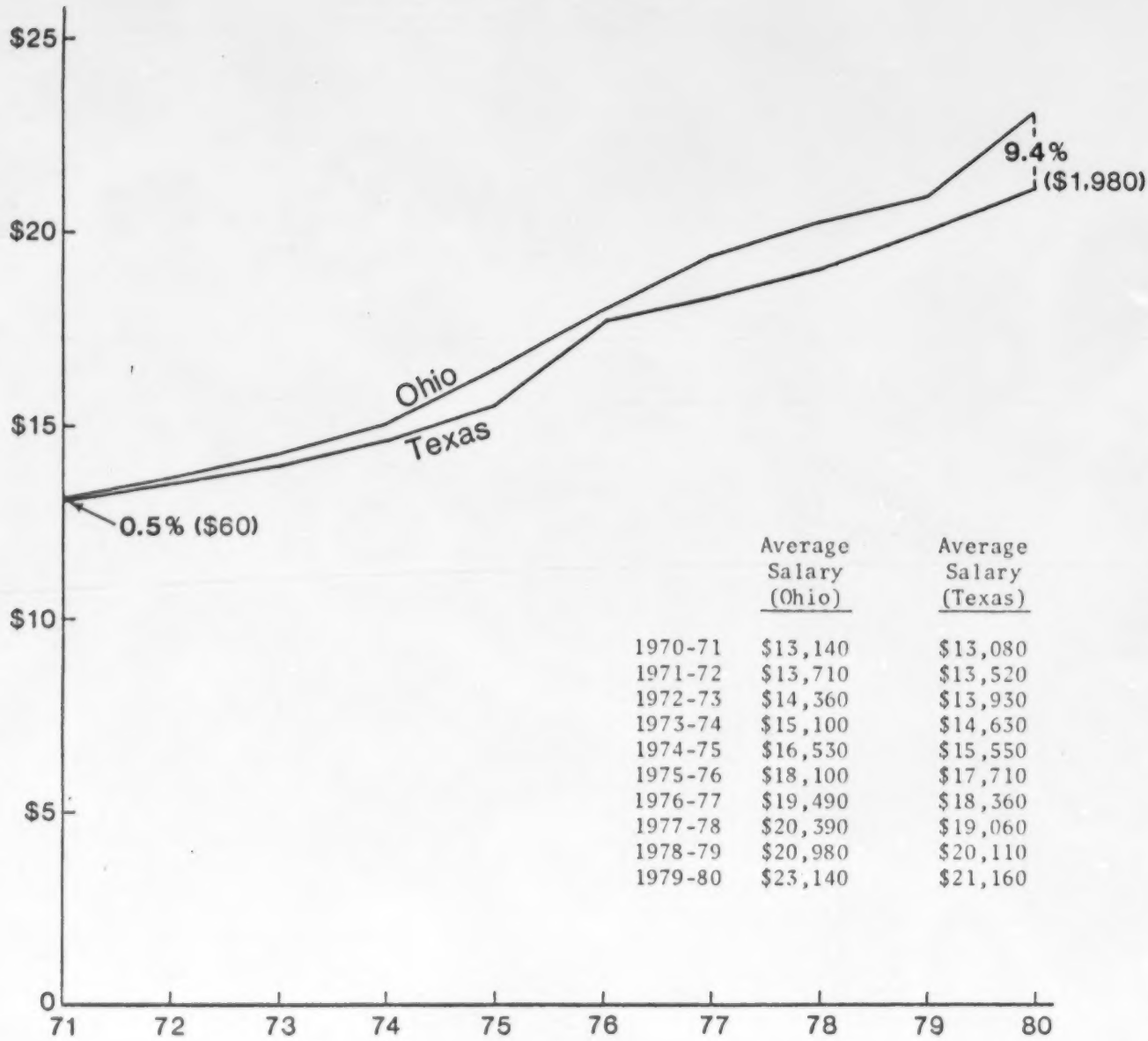
(IN THOUSANDS OF DOLLARS)



	Average Salary (Massachusetts)	Average Salary (Texas)
1970-71	$13,900	$13,080
1971-72	$15,330	$13,520
1972-73	$16,270	$13,930
1973-74	$17,570	$14,630
1974-75	$18,710	$15,550
1975-76	$18,940	$17,710
1976-77	$19,000	$18,360
1977-78	$19,830	$19,060
1978-79	$20,250	$20,110
1979-80	$23,020	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and Ohio

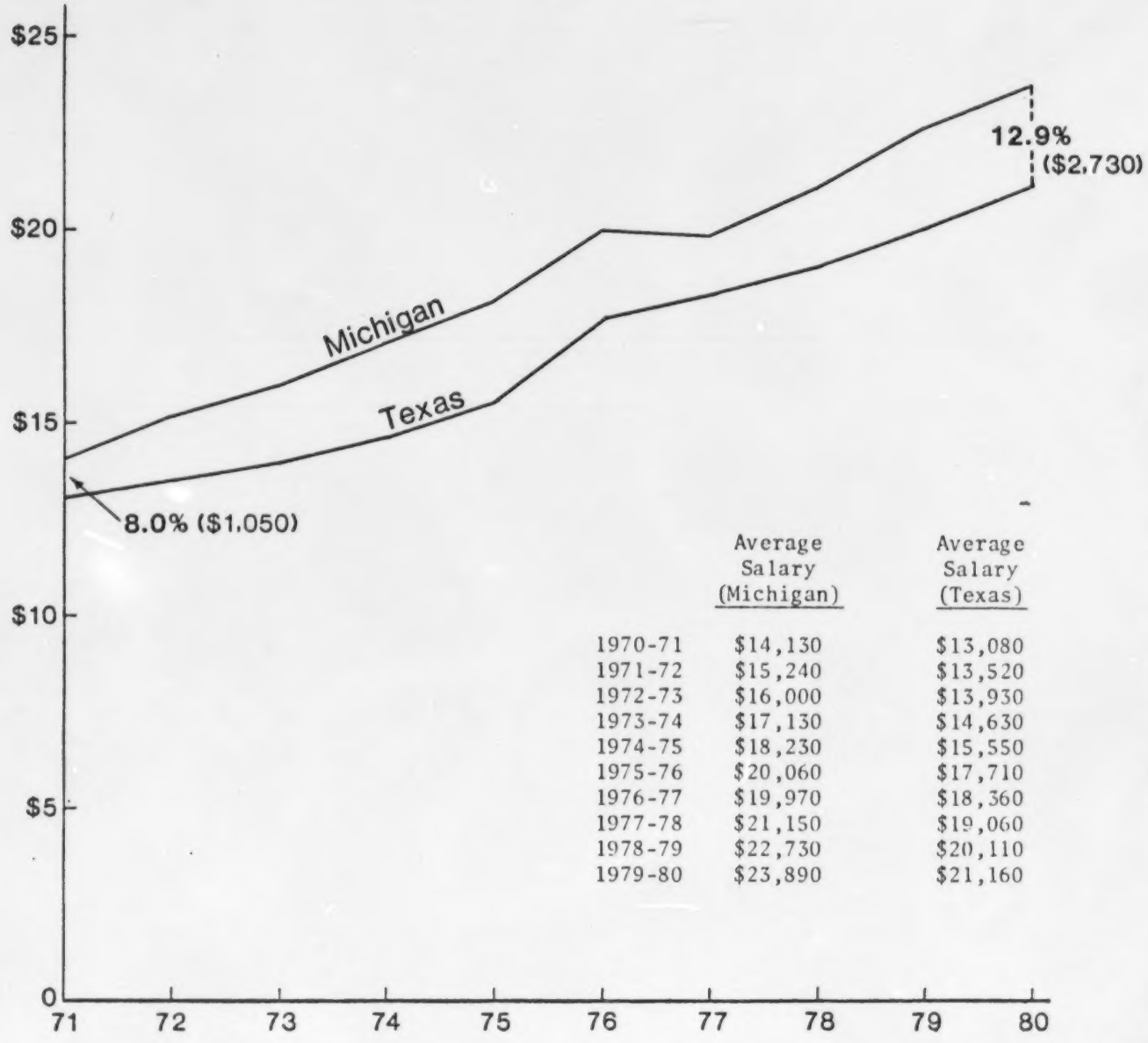
(IN THOUSANDS OF DOLLARS)



	Average Salary (Ohio)	Average Salary (Texas)
1970-71	$13,140	$13,080
1971-72	$13,710	$13,520
1972-73	$14,360	$13,930
1973-74	$15,100	$14,630
1974-75	$16,530	$15,550
1975-76	$18,100	$17,710
1976-77	$19,490	$18,360
1977-78	$20,390	$19,060
1978-79	$20,980	$20,110
1979-80	$23,140	$21,160

COMPARISON OF AVERAGE FACULTY SALARIES
1970-71 to 1979-80, First Four Ranks
Texas and Michigan

(IN THOUSANDS OF DOLLARS)



	Average Salary (Michigan)	Average Salary (Texas)
1970-71	$14,130	$13,080
1971-72	$15,240	$13,520
1972-73	$16,000	$13,930
1973-74	$17,130	$14,630
1974-75	$18,230	$15,550
1975-76	$20,060	$17,710
1976-77	$19,970	$18,360
1977-78	$21,150	$19,060
1978-79	$22,730	$20,110
1979-80	$23,890	$21,160